FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 047 11 March 1986

BRAZIL

Sodre Says No Renewal of Cuban Ties in 1986 D 1
Saudi Military Team Arrives To Inspect Weapons [FOLHA DE SAO PAULO 5 Mar] D 1
Air Force Wants To Acquire Mirage, F-5E Planes [FOLHA DE SAO PAULO 5 Mar] D 2
Projects Seek Access to Pacific, Caribbean D 2
Sodre To Represent Government at Palme's Funeral D 3
Funaro Compares Austral, Cruzado Plans D 3
1st Uranium Shipment Sent to Angra-1 Plant [O ESTADO DE SAO PAULO 5 Mar] D 4
Heavy Rains Leave 32,000 Homeless in Fortaleza D 5

COLOMBIA

Progovernment Liberals on Verge of Victory F 1
Panama's Foreign Minister Opposes Aid to Contras F 1

ECUADOR

Impasse With Rebel General Vargas Continues G 1
  Government Sets Deadline G 1
  Vargas Rejects Deadline G 1
  Congressmen Try Mediation G 1
  President Rejects Mediation G 2
  Manta Planes Reconnoiter G 2
  Vargas Fears Attack by Sea G 3
  Febres Cordero Address G 3
  Vargas Reacts to Febres G 6

PERU

Deputy Denounces Radio Havana Broadcasts J 1
Air Force Chief Goes to Paris for Mirage Talks J 1
Journalist Reports Television Censorship J 2
Briefs: Ambassador to Italy Accredited J 2

MEXICO

Hungary's Foreign Minister Supports Contadora M 1
  Sepulveda Meets Varkonyi M 1
Justice Charged With Helping Drug Traffickers M 1

PANAMA

Nicaraguan PLI Leader Godoy on Opposition N 1
Nationwide Strike Gains 'Partial Support' N 6

CENTRAL AMERICA

EL SALVADOR

Duarte Discusses Simultaneous Dialogue Proposal P 1
Acevedo on Refugees, Border Issue, Dialogue P 2
Official Notes Responses to Duarte Proposal P 3
Rivera y Damas Says Church 'Prepared To Mediate' P 4
Suspect in U.S. Citizen's Murder Detained P 5
[LA PRENSA GRAFICA 7 Mar]

GUATEMALA

Commission To Investigate Missing Persons Cases P 5
GAM Disappointed After Discussion With Cerezo P 6
Rebels, Army Clash in Peten Department P 6

HONDURAS

Weinberger Statement on Contras Viewed P 6
Committee Rejects U.S. Contra Aid Request P 8
Diplomatic Corps Cuts Due to Budget Announced P 9
[EL HERALDO 7 Mar]
Nicaraguan Army Reportedly Mining Border Area P 10
[LA TRIBUNA 7 Mar]

NICARAGUA

Borge: Reagan Seeks To 'Blackmail' Congress P 11
BARRICADA Editorial Views U.S. Contra Aid P 11
[7 Mar]

CUBA

Castro Concludes Moscow Visit, Arrives in Pyongyang Q 1
    Tours Moscow Q 1
    Kim Il-song, Crowds Greet Castro Q 1
    Meeting With Kim Il-song Q 1
    Castro Speaks at Banquet Q 2
    Decorates Kim Il-song Q 3
    Conversations Continue Q 3

CARIBBEAN

ACLM Leader Scoffs at Libyan Connection Claims S 1

BARBADOS

Statistical Service Reports Trade Deficit in 1985 S 1

BAHAMAS

Revenue Task Force Appointed To Monitor Funds S 2

HAITI

Sporadic Strikes 'Worry' New Government S 2

JAMAICA

Reportage on Doctors' Strike, Student Protest S 3
    Seaga Addresses Nation S 3
    Police Disperse Students S 5

GUYANA

Prime Minister Announces Fuel Shortage Measures T 1
Purchase of USSR, Venezuelan Fuel Rejected T 1

SODRE SAYS NO RENEWAL OF CUBAN TIES IN 1986

PY101203 Madrid EFE in Spanish 1126 GMT 10 Mar 86

[Text] Brasilia, 10 Mar (EFE) -- Foreign Minister Abreu Sodre announced today over state radio that Brazil will not renew relations with Cuba during the course of this year, and he said that the delay was due to the "careful process with which the project is being conducted."

After the return of democracy to Brazil nearly 1 year ago, President Jose Sarney ordered the Foreign Ministry to draft a report on the renewal of the links with Cuba that were broken in April 1964. The Foreign Ministry has announced that the renewal of relations with the Cuban regime is in the hands of President Sarney.

The report includes aspects related to national security that were evaluated by the National Security Council, which then submitted the report to the president. Brazil broke off diplomatic ties with Havana, accusing Cuba of interfering in its internal affairs.

SAUDI MILITARY TEAM ARRIVES TO INSPECT WEAPONS

PY070250 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 86 p 6

[By reporter Dalton Moreira]

[Excerpt] Vale do Paraiba -- In complete secrecy and led by National Service for Intelligence (SNI) agents and soldiers from the aeronautics police shock troops, a Saudi military mission, headed by General Johani Ahmed Al [name as published] and Air Force Colonel Issam Rhalid Kaurdi, is scheduled to arrive today at 0930 at the Aerospace Technology Center (CTA) military airport in San Jose dos Campos (97 km northeast of Sao Paulo). Those security measures were ordered by the Foreign Ministry to prevent the press from approaching the mission.

The mission arrived yesterday in Brazil from Paris, after stopping in Rio de Janeiro, where government seurity agents prevented any contact with the press. Initially, this morning the military men are scheduled to visit the Engesa [Specialized Engineers, Inc.] and Avibras [Brazilian Aerospace Industry] facilities. In the afternoon, they are scheduled to visit Embraer [Brazilian Aeronautics Company]. All the leading Brazilian military industries are located in Sao Jose dos Campos. Another Saudi military mission visited the facilities of those enterprises in November 1985.

The main goal of the Arab military men is to learn about the military equipment they purchased from Brazil through a contract signed on 20 December 1985 for $3 billion. They are also supposed to finalize details for exporting that equipment.

The Arabs acquired 1,000 ET-Osorio tanks (manufactured by Engesa), Astros-2 multi-rocket launcher units (manufactured by Avibras), and also T-27 "Tucano" military training airplanes, which are manufactured by Embraer. This exchange package also includes a spareparts factory for the Osorio tanks in Saudi Arabia.

AIR FORCE WANTS TO ACQUIRE MIRAGE, F-5E PLANES

PY080235 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Mar 86 p 6

[Text] Brasilia — The Brazilian Government is trying to convince the French Air Force to exchange Brasilia transport planes manufactured by Embraer [Brazilian Aeronautics Company] for second-hand Mirage supersonic planes that Brazil would buy in France. The Brazilian Air Force (FAB), needs at least six of these interceptor plans in order to replace those lost by its main unit, the 1st Airborne, headquartered in Goias.

Each second-hand Mirage plane -- overhauled by the Dassault Company and fitted with the most modern radar and electronic equipment — costs approximately $7 million (Approximately 98 million cruzados), but Brazil is not interested in a simple purchase. "We have to sell to Europe as well," according to Aeronautics Minister Brigadier General Octavio Moreira Lima. "Thus, we must interest the French in the Brasilia so that we can purchase the Mirages we need," he added. Each Brasilia costs approximately $5 million (nearly 70 million cruzados).

This is not the only obstacle that the FAB must surmount in order to refurbish its combat aviation force. The Ministry of Aeronautics is currently finding it difficult to purchase approximately 26 second-hand F-5E planes that it needs to replace those missing from the three units that use this type of plane. Two countries have already told the FAB that they did not have any of these planes to sell: the United States and South Korea (the F-5E is manufactured by the U.S. company Northrop). In 1975 the FAB purchased 45 F-5E planes which are currently operating from the Rio de Janeiro and Rio Grande do Sul bases. The U.S. Air Force has already informed the FAB that it would be prepared to sell a batch of these planes to the FAB, but this cannot be accomplished this year because the program to reequip the USAF has been delayed. The Americans will replace the F-5E's with the F-20 "Tigershark" [preceding word in English] which is also manufactured by Northrop.

The Mirage and F-5E planes are the most powerful aircraft of the FAB, but they are obsolete. The Mirage prototype flew for the first time in the mid-1960s and became famous in 1967 during the so-called 6-Days War. The F-5E was developed as a match for the Soviet Mig-21 and Mig-25. The minister of aeronautics explained the FAB's interest in second-hand and obsolete planes by saying that "the AMX fighter plane project that we are jointly developing with the Italians is extremely expensive. Until this project is completed we cannot even think in terms of a different strategy."

PROJECTS SEEK ACCESS TO PACIFIC, CARIBBEAN

PY101735 Madrid EFE in Spanish 2102 GMT 9 Mar 86

[By Francisco Roque Bacarreza]

[Text] Brasilia, 9 Mar (EFE) — It was officially reported today that Brazil will renew its long-standing aspiration of having direct access to the Pacific Ocean and the Caribbean Sea through Peruvian and Venezuelan territories. Transport Minister Reynaldo Tavares is preparing a program of highway and railroad integration which also calls for an extension of ties with neighboring countries and the consolidation of the long-standing desire for access to the Pacific Ocean.

Tavares' plan was announced today, and in the chapter referring to the access to the Pacific it foresees the paving of the highway that links Porto Velho with Rio Branco, between the territory of Rondonia and Acre state, in the western part of the country. The program foresees the utilization of the highway facility already existing in Peruvian territory where there are 800 km of highway, of which 700 km are already paved, linking the Brazilian border with the important port of Callao, near Lima.

Brazil has for several decades sought a link with the Pacific Ocean. One of the alternative plans is the Bolivian railroad connection, between the departments of Cochabamba and Santa Cruz, to reach the Chilean ports of Arica and Antofagasta, but for several reasons the Bolivian alternative could not be accepted.

Brazil already has a nonpaved road running parallel to the northern Bolivian border linking Porto Velho with the border town of Bolpebra, and the link with the Peruvian highway system will start from there, according to the plan. Minister Tavares' project also includes the improvement of the northern highway system to give access to the Caribbean Sea through Venezuelan territory. The plan foresees the paving of the Manaus-Boa Vista highway (in Roraima territory) as far as the border town of Santa Elena.

According to the plan announced today, the idea is to have a means of communication to facilitate future exports of Brazilian products to neighboring countries, to strengthen bilateral trade, and to have alternative routes to the Pacific Ocean and the Caribbean Sea. From the military standpoint, for reasons of strategy, the construction of a highway in the north is proposed to link the western part of the state of Amazonas with Amapa Territory, along the borders with Peru, Colombia, Venezuela, Guyana, Suriname, and Dutch Guiana [as received].

According to the plan, the connection with the Caribbean Sea is based on the foreseeable growth of the industrial, livestock and agricultural production of the state of Amazonas and of Roraima territory. In Manaus, capital of Amazonas, an industrial complex has been built for the production of computers and sophisticated electronic equipment. According to the Transport Ministry's data, the professionals dealing with this project will conclude the strategy of the highway and railroad connection this year.

SODRE TO REPRESENT GOVERNMENT AT PALME'S FUNERAL

PY101345 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 10 Mar 86

[Text] Foreign Minister Abreu Sodre will leave on 15 March for Stockholm, Sweden, where he will represent the Brazilian Government at Olof Palme's funeral.

FUNARO COMPARES AUSTRAL, CRUZADO PLANS

PY072040 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 7 Mar 86

[Text] The Group of 24 tonight ended its 3-day meeting at the San Martin Cultural center. Among those attending the meeting was Brazilian Finance Minister Dilson Funaro, who 7 days ago informed the Brazilian people about the implementation of the Cruzado monetary plan.

TVI talked with Funaro about this subject:

[Begin recording] [Unidentified reporter] Was the Cruzado monetary plan based on different guidelines from those of the Austral Plan because its planners left out certain elements which had already been tested in Argentina?

[Funaro] No, I believe that there are similarities and differences between our two countries. Our plan is a monetary reform and as such it is undoubtedly similar to the Austral Plan. But the economic situations are different. We did not have an exchange problem, and we had no public deficit problem. Therefore, there is a structural difference between the two. But a monetary reform has been adopted for the two countries and I believe that this is the important thing. What happened with the freeze on prices here in Argentina is now taking place in Brazil. Therefore, there are differences but also coincidences.

[Reporter] What provisions is Brazil making regarding the economic growth rate?

[Funaro] Last year our economic growth rate totaled 8.3 percent. We hope we will continue to achieve economic growth despite the implementation of the monetary reform plan.

[Reporter] What are your plans about investments?

[Funaro] I believe that now these will be feasible because it is very difficult to find anyone who would like to invest in a country experiencing 3-digit inflation. But now confidence has been restored, and I believe this will result in massive investments. [end recording]

URANIUM SHIPMENT SENT TO ANGRA-1 PLANT

PY081818 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 86 p 30

[Text] Rio de Janeiro -- The first uranium shipment to refuel the Angra-1 reactor, estimated at $40 million, was handed over yesterday by the Brazilian Nuclear Corporation [Nuclebras] to Furnas [Furnas Electric Power Plants, Inc.] The shipment was transported in several trucks protected by vehicles of the military police, the highway patrol, and the fire department. The security on the stretch of highway between Resende and Itaorna beach was unprecedented. This fuel will replace one-third of the uranium already burned in the Angra-1 reactor. It was partially produced in Resende.

In fact, this fuel element, or uranium pellets, were only enclosed at the Nuclebras fuel elements plant. The natural uranium extracted from Poco de Caldas has yet to make the long trip abroad to be enriched, going first to France where it is converted in the Pechiney plants into uranium hexafluoride (UF-6). Then the uranium is sent to Urenco, in England, where it is enriched, and then taken the FRG to be synthetized and turned into pellets before it arrives in Resende, where it is placed in the zircaloy rods from Argentina.

Although Brazil has invested $30 million in the fuel factory and $280 million in the pilot plant for enriched uranium, the country is taking its first steps to absorb and master the technology of the fuel cycle. The investments were postponed due to delays in the nuclear program, and progress during the last 3 years was practically nil. The fuel elements factory has achieved almost nothing since 1983. To keep from being idle, it has begun to manufacture precision components for Boeing and the Brazilian Aeronautics Company (Embraer) for the Tucano and AMX planes.

The pilot plant for the "jet-nozzle" [preceding words in English] uranium enrichment process requires an investment of $20 million to start the first series of associated condensers with 24 pages. This first series of condensers is one unit for a 400-stage industrial plant. Each stage is composed of a huge compressor, a heat exchanger, and a chember with the elements for Uranium 235 separation.

Technicians of the Brazilian Nuclear Corporations, Inc (Nuclebras) have reported that even if the technological problems associated with this process are overcome and it can successfully produce enriched uranium at an industrial rate, rather than just a laboratory level, this uranim enrichment plant would still be extremely costly. Its productive unit, called Isotopic Separation Unit [Unidate de Separacao Isotopica -- UTS], will cost $450 compared to the $150 [figures as published] Urenco charges Brazil for the same service. The international market for enriched uranium is saturated with offers, and the United States has announced that it will put its laser-enriched uranium plant into operation this year, charging $80 per UTS.

The Nuclebras technicians believe it is absurd that the country has invested $280 million in constructing the pilot plant and is now considering suspending the plan for lack of $20 million. They are certain that the process can produce enriched uranium at industrial levels, but they must know if it offers an effective control system, if the series of associated condensers can work at a steady pace, how much energy will be used, the necessary level of redundancy, and how the central systems must be composed, besidee obtaining data on the separation of UF-6 through hydrogen.

If the government decides to grant the remaining $20 million required to carry out the project, which seems to be the most reasonable alternative, the above questions will only be answered in 1988, when the government will receive a report appraising construction of an industrial plant costing DM2 billion, or almost $1 billion. In any case, the Nuclebras technicians defend continuing construction at the enriched uranium plant. Work at the Resende industrial nuclear complex, meanwhile, is semi-paralyzed.

HEAVY RAINS LEAVE 32,000 HOMELESS IN FORTALEZA

PY101447 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 10 Mar 86

[Text] According to the Civilian Defense Coordinating Broad, 32,000 persons have lost their homes in Fortaleza. The heavy rains that are hitting this state may yet increase this number of victims. The prefecture is still surveying the number of homeless in the slum areas and on the outskirts of Fortaleza. The victims are being taken in Army trucks to public buildings or higher grounds. The Brazilian Foods Company [Cobal] has begun distribution of the food that has been provided by the Superintendency for Development of the Northeast [Sudene].

PROGOVERNMENT LIBERALS ON VERGE OF VICTORY

PA101645 Paris AFP in Spanish 1615 GMT 10 Mar 86

[Text] Bogota, 10 Mar (AFP) -- Colombia's legislative elections seemed to give a resounding victory to the pro-government Liberals after 75 percent of the 40,250 polling places that operated on Sunday were tallied.

According to the figures, the defeated party is the dissident New Liberalism of Senator Luis Carlos Galan.

In its bulletin No 9, issued at 1530 GMT today, the National Civil Registry Office, which organized and held the elections, disclosed the following figures for the Senate:

Pro-government Liberals	2,643,743	48.6 percent
New Liberalism (dissidents)	372,366	6.8 percent
Conservatives	2,030,594	37.0 percent
Patriotic Unity (communist)	72,937	1.3 percent
Other parties	298,701	5.4 percent
Unregistered Lists	1,890	0.03 percent
Blank votes	11,264	0.2 percent
Nul votes	8,052	0.1 percent
Total votes	5,439,567	

The Registry Office noted that these figures were the result of the count from 30,750 polling places, out of a total of 40,250, representing 75 percent of the voting locations.

PANAMA'S FOREIGN MINISTER OPPOSES AID TO CONTRAS

PA081700 Hamburg DPA in Spanish 0048 GMT 8 Mar 86

[Text] Bogota, 7 Mar (DPA) -- In Bogota, Panamanian Foreign Minister Jorge Abadia Arias has condemned any military aid to the Nicaraguan contras, emphasizing the vigilance and inspection commission to be created for bilateral peace between Costa Rica and Nicaragua.

The U.S. Congress is debating President Ronald Reagan's request for $100 million in military and logistic aid to the Nicaraguan counterrevolutionaries who are fighting to overthrow the Sandinist regime.

Abadia Arias met for more than 1 hour with Foreign Minister Augusto Ramirez Ocampo at the Eldorado Airport and then continued on his way to Buenos Aires, where he will meet with President Raul Alfonsin and Foreign Minister Dante Caputo regarding the latest international events.

Abadia Arias and Ramirez Ocampo exchanged ideas on the Latin American foreign debt and the Central American crisis.

During his short stay in Bogota, Abadia stressed the efforts that Colombia, Venezuela, Mexico, and Panama are carrying out to find a negotiated solution to the Central American crisis.

IMPASSE WITH REBEL GENERAL VARGAS CONTINUES

Government Sets Deadline

PA101830 Paris AFP in Spanish 1814 GMT 10 Mar 86

[Text] Guayaquil, 10 Mar (AFP) -- At noon today the Ecuadoran Government set a deadline of 1900 (0000 GMT) today, Monday, for dismissed Air Force General Frank Vargas Pazzos, who has been rebelling since Friday at Manta air base, to desist from his attitude. Otherwise, at that time Ecuadoran President Leon Febres Cordero will announce via national television network the measures to be taken to end the rebellion, said Jaime Nebot, governor of Guayaquil Province, on behalf of the president.

Vargas Rejects Deadline

PA102332 Paris AFP in Spanish 2237 GMT 10 Mar 86

[Excerpt] Manta, Ecuador, 10 Mar (AFP) -- Eduadoran General Frank Vargas Pazzos, who is in mutiny at the Air Force Base in Manta, asked Ecuadoreans this afternoon to "go out into the streets and struggle for your dignity, to defend the truth against the tyranny we are living in." Vargas Pazzos, who has maintained control of the powerful Eloy Alfaro Air Force Base in this city since last Friday, held a news conference this afternoon. He morally and physically challenged Guayas Governor Jaime Nebot, who announced at noon today an official deadline for Vargas to abandon his position. The military officer, dismissed as commander general of the Ecuadoran Air Force (FAE) and chief of the Armed Forces Joint Staff, insisted that he will maintain his position and asked the news media to fulfill "their only duty, that of seeking a free and strong homeland."

Following the news conference, civilians were evicted from the air base for the first time. Officers and troops prepared to participate in a ceremony, after which they were to immediately establish a state of alert.

Congressmen Try Mediation

PA110007 Paris AFP in Spanish 2246 GMT 10 Mar 86

[Excerpts] Quito, 10 Mar (AFP) -- In an attempt to prevent "an imminent military confrontation," a parliamentary commission departed from Quito today to make contacts with President Leon Febres Cordero and loyal military commanders in Guayaquil, on the one hand, and with General Frank Vargas Pazzos, who has been leading an uprising since last Friday at the Manta Air Force base, on the other. The members of the commission left 3 hours before 1900 (0000 GMT), which is the deadline given by the government at noon today for the rebellious military leader to change his attitude. The rebellious general "deserves a sanction," Guayas Governor Jaime Nebot said when announcing the ultimatum on behalf of Febres Cordero.

After the deadline expires, the president will appear on television to announce "the definite position that will determine the actions to be taken thereafter." In view of the tension that reigns in the country following the ultimatum, the parliament unanimously agreed to send the commission, which is headed by President of Congress Averroes Bucaram and includes seven other deputies. Bucaram said that the trip was made "in order to prevent clashes between Ecuadoran brothers" and "to seek a dialogue in order to find a peaceful solution."

He added that the Congress has not renounced its mission and that "Gen Vargas Pazzos, as any citizen, can present charges, which will be given the proper attention, as the situation warrants."

Bucaram was accompanied by his fellow party men Leonidas Plaza and Francisco Mejia, of the Concentration of Popular Forces, former President of Congress Raul Baca Carbo, Jorge Zabala of the Democratic Left, Alvaro Perez of the Literal Party, and Eduardo Carmigniani of President Febres Cordero's Social Christian Party. Finally, the deputies said that the Congress "has specific reports in the sense that there could be a military confrontation in the next few hours," which the parliamentary commission is trying to prevent.

President Rejects Mediation

PA110155 Quito Radio Quito in Spanish 0035 GMT 11 Mar 86

[Excerpts] Guayaquil -- The public relations official of the office of the governor sent this press bulletin to journalists:

A National Congress commission visited President Leon Febres Cordero to learn about the situation created by Lieutenant General Vargas Pazzos and to mediate in the matter while respecting, as the members said, the competence of the Armed Forces. The commission was composed of Dr Averroes Bucaram, president of the Congress, and Deputies Leonidas Plaza, Alvaro Perez, Francisco Mejia, and Dr Jorge Zabala Baquerizo.

On receiving the officials, Ecuadoran President Febres Cordero said: I appreciate your patriotic visit and your concern. Nevertheless, when the Constitution is violated and an attempt is made to destabilize democracy, no mediation is possible. When a general of the Republic conspires and rebels, there is only one thing to do: namely, enforce law and apply the corresponding penalty by those who have the competence to do so, that is to say, the Ecuadoran Armed Forces. You can return to the Congress in peace. Rest assured that my actions as Ecuadoran president and commander-in-chief of the country's Armed Forces are and will be in accordance with the Constitution and bylaws. The measures that will be taken will be on a long-term basis and in a measured way.

Later the president said that no compromise will be reached regarding the principle of authority and the preservation of peace and public order. He added that the charges filed by General Vargas Pazzos will be thoroughly investigated by the corresponding agencies. Finally, the president told the legislators to rest assured that, had General Vargas Pazzos occupied the National Congress instead of the Manta air base, he, the president, would not have negotiated. He added that he will not now negotiate the fundamental principles on which the homeland's structure rests.

The legislative commission that left for Manta a few minutes ago to talk with General Vargas Pazzos said through its spokesmen that the legislators unanimously support the enforcement of the Constitution and democracy and that their intervention is aimed only at avoiding bloodshed of innocent Ecuadoreans.

Manta Planes Reconnoiter

PA110228 Quito Radio Quito in Spanish 0113 GMT 11 Mar 86

[Gonzalo Mora report from Manta Air Force base -- live]

[Text] Since the expiration of the ultimatum made by the national government to General Vargas Pazzos, the air base has begun activities which have increased tension among those present.

At 1910 or 1915, 10 planes of the Manta contingent took off in the direction of the city of Portoviejo to engage in reconnaissance flights. The flights are still under way in view of reports from Portoviejo, revealing that 300 paratroopers were ready in that city to attack the air base later this evening, according to sources close to the air base.

Other information indicated that before 1800 there was a caravan of automobiles in support of General Vargas Pazzos. At this moment another rally is under way in the streets of the city with transportation workers and university students, who are heading toward the air base. Meanwhile, some 300 persons who had gathered approximately 1,200 meters from the air base and who are being checked by elements of the national police, broke through the police cordon and proceeded toward the air base. This is all we have to report at this time on the latest incidents in this city of Manta; the population is growing restless, and most of the residents are staying indoors.

Vargas Fears Attack by Sea

PA110700 Madrid EFE in Spanish 0549 GMT 11 Mar 86

[Text] Quito, 11 Mar (EFE) -- Gen Frank Vargas announced early this morning that he fears an imminent attack by sea on Manta air base. The rebellious general made this statement through Radio Quito, following President Leon Febres Cordero's ultimatum in Guayaquil urging him to abandon his stance.

According to Vargas, the wives of "Pumas" corps marines had warned him that some 500 members of this special unit were reportedly ready to attack from ships off the coast. According to the radio reports, land troops have taken positions in the nearby hills that surround the base.

In this situation, and following Febres' ultimatum, Vargas said that "for me, the president has ceased to be a president and has turned into a dictator." To the presidential request that he surrender, Vargas answered that they want to crucify him, and he asked his Armed Forces companions to be prudent enough so as not to spill blood among Ecuadoreans. Regarding the encirclement, he answered that he will endure it peacefully, but that if he is attacked, he will respond with all his forces.

According to the radio reports, the morale of Vargas' troops is very high, and they estimate the number of men who could be inside the base at about 1,000. He also has many planes, but it is not possible to determine how many. In fact, while the statement of the dismissed chief of the Joint Command was being broadcast, vivas to Gen Vargas and the Armed Forces could be heard constantly. The base is in a state of maximum alert, with a total blackout and all lights turned off. From the outside, the water, electricity, telephone, and telex services have been cut off, according to the sources cited by the radio station.

Febres Cordero Address

PA110331 Quito Radio Quito in Spanish 0236 GMT 11 Mar 86

[Address to the nation by President Leon Febres Cordero on 10 March -- live or recorded]

[Test] The events that have taken place as of 7 March of this year are public knowledge. There is a member of the Armed Forces, Lieutenant General Frank Vargas Pazzos, in a state of insubordination and rebellion, having engaged in acts incompatible with the law and the morale that should honor every military man.

Lt General Frank Vargas Pazzos, regardless of the reasons for his initial position, has disturbed the citizens' peace and tranquillity which he, specifically as a member of the Armed Forces, is compelled to preserve and guarantee. He has, therefore, broken the fundamental oath that rules the authority and morale of every member of the Armed Forces.

Lt Gen Frank Vargas Pazzos started his action not through the channels of law and order, buy through those of chaos and arbitrariness, having seized planes -- three of the Ecuadoran Military Air Transport, TAME, and two 727 aircraft that cover the Guayaquil-Quito-Cuenca route, a Fokker aircraft recently purchased to cover the Loja route -- all assigned to civilian transport service -- and two FA-130 planes, property of the Armed Forces. He also seized the Manta military and civilian air base.

These actions alone merit a drastic sanction of any civilian or military element. However, Lt Gen Frank Vargas Pazzos has not only disturbed the nation's peace and order, he has also ignored the authority of the Armed Forces, because the population knows his attitude of contempt for and rejection of the resolutions and statements of the Ecuadoran Air Force Command and the Ecuadoran Armed Forces Joint Command. He has not accepted, as a military man, the orders of his heirarchical superior, in open rebellion against the national military command.

The attitude of Lt Gen Frank Vargas Pazzos abandons the military and institutional field, which he has abused, to adopt a political and conspiring stance, inspired by those always resentful elements whose names are well known to all.

My attitude is also known to all of you. I have given only one interview on this delicate matter, basically for two reasons: to recover, as is my duty, respect for the Armed Forces; and out of respect for the people. Vargas, on the other hand, has not lost an opportunity to use the media to subvert order and disturb the peace, to the extent of urging the population to revolt in chaos.

The nation and you, Ecuadoreans, knowthat as constitutional president of the Republic and as commander in chief of the Armed Forces, I have made every possible effort demanded by prudence so he could abandon his position with honor. Many Ecuadoreans have participated in this effort, including my own wife, the presidential private secretary, lawyer Carlos Pareja, a high Army commission, no less than the High Command of the Armed Forces of Ecuador, and the Armed Forces Joint Command. The answer was always one of rebellion, disrespect, and ignorance of authority. We have used every means, and there is nothing left but to take action to stop the subversive escalation of Lt Gen Frank Vargas Pazzos, an action that will be earmarked within the most absolute prudence but which will not tolerate further disrespect and abuse from anyone.

The Republic of Ecuador does not have to suffer the consequences derived from the attitude of a rebel official who, disregarding the procedures established by law to present a statement or a complaint, has broken every moral and legal principle. This time we will reply with actions, and these actions will be ours and the Armed Forces' reply to an insurbordinate official.

Every man, every citizen must abide by our laws. No citizen has the right to elect a special judge or court especially for himself. He, like anyone else, will be tried with honesty and in a legal manner by the judges and courts appointed according to the law.

This is known by all civilian and military citizens, it is known by Lt Gen Frank Vargas Pazzos because, given his rank and hierarchy, he has proceeded -- on innumerable occasions -- to arrest his officers and troops for violations they have perpetrated Consequently, he cannot evade or prevent the enforcement of the same law he has used to punish or sanction. All the acts denounced by Lt Gen Frank Vargas Pazzos will be thoroughly investigated, I can guarantee that, as a measure to safeguard the honor of men and to sanction the culprits, if there are any. This is a guarantee that has been established in the laws of our Republic.

Gen Frank Vargas Pazzos: At 0600 on Wednesday we will establish an Armed Forces cordon around the air base in Manta, which you have arbitrarily taken over. These military forces sole orders are to completely isolate you, until they can proceed with your arrest, without harming third, uninvolved parties. The military forces have the order not to fire a single round unless you openly provoke them. If any blood is shed, it will be entirely your fault, Gen Vargas. The Armed Forces will give the news media all the facilities and guarantees so that they may ascertain the events that will take place there.

Gen Frank Vargas Pazzos: You have, unfortunately, violated the Constitution, tried to destabilize democracy, and attacked the very core of the Armed Forces. However, no matter how important you may be, Gen Vargas, you are not worth a single drop of Ecuadoran blood. The urgent need to enforce the law and its corresponding sanctions cannot be more important than the lives of innocent people or the country's military partrimony. Do not risk women and children, Gen Vargas, or the office-s who are there in good faith or under pressure. Please let them leave. In any case, the Armed Forces' cordon will keep you completely under siege until you are totally isolated. They will then proceed to your arrest, and then you will be immediately tried and sanctioned according to military laws.

You, Gen Vargas, will have -- and I guarantee this a completely impartial trial; it will not be presided over by those you describe as your personal enemies. It will be comprised of competent members, and this does not include the council of generals and admirals that you have illegally proposed, to mislead public opinion. We guarantee all the privileges, exemptions, and prerogatives that correspond to your high rank, but we will never offer you impunite, because if we did this would destroy the very structure of the Ecuadoran Armed Forces.

My stance and that of the Armed Forces of the Republic is to defend the Constitution and democracy. Those who, in addition to you, try to initiate illegal actions to ignore or contradict them will be entering the field of coups and conspiracy and will have upheld base interests contrary to the lofty ones of the Ecuadoran homeland and will have deserved, in addition to the pertinent penalty, the unanimous rejection of all Ecuadoreans.

Frank Vargas Pazzos: The military siege begins at 0600 on Wednesday. This is the end of the dealine for you to surrender without shame, like a military man, an honest man, and a man of honor, or you can have all the time you want to surrender without honor.

Thank you very much, Ecuadoreans.

Vargas Reacts to Febres

PA110554 Quito Radio Quito in Spanish 0453 GMT 11 Mar 86

[Report by Gonzalo Mora from Manta Air Force base "following the president of the Republic's national radio and television network address" -- live]

[Excerpts] [Mora] Here are the latest reports on the developments that have just taken place a few minutes ago at the Manta Air Force base.

First, the National Congress commission, headed by its president, Dr Averroes Bucaram, met for about 1 hour and 45 minutes with General Vargas Pazzos. After this meeting, the legislative commission left immediately, getting into two vehicles and taking off toward the city of Guayaquil. Congress President Bucaram simply told some 100 reporters who were inside the Air Force base that the Congress would call to trial the three generals [not further identified] who have caused this big problem in the country and that in the wake of the national government's pronouncement there was nothing else for them to do because the situation is now within a strictly military framework.

After this, Gen Vargas Pazzos appeared on the Air Force base's grounds to address the reporters. He said that everything had really been consummated and that it had been impossible to continue the meeting with the National Congress commission due to the president of the Republic's pronouncement on a radio and television network. This was Gen Vargas Pazzo's latest statement, specifically at 2240 tonight. In any event, after Gen Vargas made this statement, the civilians who had gathered at the entrance of the base gradually withdrew, and some of them formed motorcades and advanced through the city streets blowing their horns.

In a last-minute report, we have learned that a convoy of Army troops has passed the city of Jipijapa and is heading toward the city of Portoviejo, where apparently they will concentrate. This was reported at the air base by drivers coming from the city of Guayaquil.

This is all we can report at this time. The situation at the air base is calm but tense, waiting perhaps for military attacks. As Gen Vargas Pazzos said, it is feared that the siege could be simply a military tactic and there could be an imminent attack by either sea or land. This was Gonzalo Mora Lozada reporting for Radio Quito.

[Station announcer] Thank you, Gonzalo, for a brilliant report. We were waiting for your call. What worries us now is what will really happen now, which is a question we have been asking ourselves since our first contact with you in Manta. Now, Gonzalo, could you tell us if the possibility of an attack by sea is imminent at this time? Go ahead, Manta.

[Mora] Based on what Gen Vargas Pazzos himself has said — you have heard his statement — he has been contacted by the wives of Navy troops known as the Pumas, who have reportedly said that the Pumas, 500 of them, would be attacking the base by sea. In any event, these reports would have to be confirmed, but they are part of the official statement made by Gen Vargas Pazzos.

[Announcer] Gonzalo, regarding Gen Vargas' final decision, has he said he will resist to the end?

[Mora] Definitely so. He has replied to all the questions made by the journalists with a profound faith and firm determination. Moreover, the officers who are accompanying him are also imbued with his optimism, confidence, and faith. I am recalling a very significant event, which Quito and the rest of the country snould be aware of. At approximately 2200 Colonel Narvaez, who had tried to occupy the Quito air base, arrived at the Manta air base to join the struggle headed by Colonel Vargas Pazzos. [title as heard]. At the time of his arrival, he was applauded by the large crowd that had gathered at the entrance of the air base. I consider this interesting, considering the fact that, having failed in his attempt to take over the Quito air base, he came here to support Gen Vargas Pazzos.

[Announcer] Gonzalo, please tell us about the activities in the city of Manta during the past few hours. What is the general atmosphere, considering there is manifest and evident support for Gen Frank Vargas from the civilian population? Is there a possibility for a concentration of civilians, which would obviously aggravate the problem? Go ahead, Manta.

[Mora] Yes, this could indeed help to aggravate the problem, in view of the fact that the delay in solving the crisis has made it possible for civilians to take part in the problem that initially appeared as a military problem. Gen Vargas Pazzos himself was informed at the air base that civilian forces will be concentrating tomorrow. Moreover, labor organizations have announced a work stoppage in the entire Manabi Province. In any event, this would cause additional problems. However, we will see what happens tomorrow, and we will continue reporting as much as we can.

[Announcer] Certainly, Gonzalo. Finally, considering that you have remained at the military base practically throughout the crisis, could you describe for us in general terms the military capabilities that exist at this time? Although it may seem paradoxical, we must use these terms. Could you tell us about Gen Frank Vargas' military capabilities for an attack or defense, what are his capabilities, how many men are backing him, what kind of weapons does he have? Go ahead, Manta.

[Mora] Well, in a statement made for Radio Quito 2 hours ago by a colonel who supports Vargas Pazzos, he mentioned that 1,000 men are currently inside the air base, defending it. As for the military equipment, as I said before, it is really hard to know what they have. However, according to reports, they are in a position to reply to any attack. This is all I can tell you in this respect.

[Announcer] Gonzalo, I understand that the planes that had been overflying Manta have returned to the base in the past few hours. Can you confirm this?

[Mora] Yes, that is correct. The planes returned to the air base after overflying the area for 2 or 3 hours. Gen Vargas Pazzos himself said that the aircraft overflew the area simply to observe the troops that are, not that were, but that are now posted in the Montecristi Hill and part of the Hojas Hill. He said that there are soldiers in that sector and that they have been detected hiding in the bushes in the hills I have just mentioned.

DEPUTY DENOUNCES RADIO HAVANA BROADCASTS

PY080206 Paris AFP in Spanish 1921 GMT 7 Mar 86

[Text] Lima, 7 Mar (AFP) -- Alberto Valencia Cardenas, APR [American Revolutionary Alliance] deputy for Ayacucho, the stronghold of the Maoist Shining Path guerrillas, today charged that Radio Havana is always broadcasting messages encouraging armed struggle in Peru. Valencia, who is the Chamber of Deputies first secretary, confirmed to AFP that Radio Havana, which is being received in the mountainous area, is broadcasting from Cuba the program "Los Cuatro Suyos" (the four cardinal points) with slogans inciting subversion in the Andean area, where 7,500 people have died in the past 5 years.

Valencia stated that he has four or five cassettes with recorded broadcasts in Quechua, the Indian dialect, which will be handed over to Peruvian President Alan Garcia. Valencia stated that crimes are occurring in Ayacucho because of the slogans broadcast daily from Cuba to all four cardinal points.

Valencia, who a few weeks ago asked for increased pacification actions in the Andean emergency zone, said that the government of Fidel Castro must explain this meddling, because the Havana radio station is an official source. According to Valencia, one of the subversive texts in Quechua says: Many years ago we were as poor as you are now. We wanted to live, and we died every day because of the rich. We know that you are ready to fight, and we received that news with joy. The only way to seize power is through armed struggle. Justice is written with blood. Valencia added that the announcements are made alternately by a man and a woman with interspersed folk music, and the program begins with the Cuban national anthem.

In turn, in statements to a Lima evening daily, Radio Miraflores manager Ricardo Palma has volunterred to testify and furnish recorded material to support a protest against the Cuban Government. Palma emphasized that some time ago he started receiving the broadcasts on the 13-meter band and on a 17,350-khz frequency. Later the Cubans increased their power (wave length) to a 20-meter band at least, with a 15,525-khz frequency. In addition, Palma stated that the Cuban radio station possesses special antennas which protect the broadcasts from interference.

AIR FORCE CHIEF GOES TO PARIS FOR MIRAGE TALKS

PY071809 Paris AFP in Spanish 2138 GMT 6 Mar 86

[Text] Lima, 6 Mar (AFP) -- General Julio Hesse, Peruvian Air Force chief of staff, traveled today to Paris to continue talks on the number of Mirage-2000 airplanes that Peru will buy from the French company Marcel Dassault. A reduction in the original order for 26 planes will be discussed at the level of a technical commission of which Gen Hesse is a member. He said before leaving that the discussions on this subject are going well, but he did not specify the exact number of planes to be purchased. Gen Hesse just reported that the talks in Paris will take 4 or 5 days.

Upon returning from Paris a few weeks ago Foreign Minister Allan Wagner revealed that a commission of French and Peruvian experts will establish the number of planes to be purchased. However, since President Alan Garcia announced last July that the number of planes would be reduced from the original number agreed to by President Belaunde Terry's administration, the Peruvian authorities have said repeatedly that only 14 airplanes will be purchased.

JOURNALIST REPORTS TELEVISION CENSORSHIP

PY072154 Madrid EFE in Spanish 1613 GMT 6 Mar 86

[Text] Lima, 6 Mar (EFE) -- The host of a weekly television program that was off the air unexpectedly on 4 March today reported that the Armed Forces Joint Command had exerted pressure on station directors to prevent the program from going on the air.

Journalist Cesar Hildebrant, the host of the "Encuentro" program on a local television station, said that censorship was imposed on comments about the kidnapping of Navy officer Alvaro Artaza, alias "Commandante Camion," who is accused of violation of human rights in the Ayacucho emergency zone.

Hildebrant said on the censored program that the officer's kidnapping a few weeks ago was in reality a "self-kidnapping" to prevent his from appearing in court.

Artaza is accused of being responsible for the disappearance of reporter Jaime Ayala, the deaths of seven members of a Protestant sect, and other people detained in the Marine Infantry garrison of Huanta, Ayacucho Department.

First reports indicated that Artaza was kidnapped by Shining Path members, but this organization later distributed pamphlets in Lima denying responsibility for the kidnapping.

Hildebrant said that the Armed Forces Joint Command has pressured the directors of all television channels not to report on any military men involved in crimes. Hildebrant said about the censorship that one of the directors of the television station where "Encuentro" is shown told him that there was a "commitment" not to show issues affecting the "honor of the men in uniform."

Hildebrant today said that he is going to send a telegram to IAPA, which is now meeting in Brazil, to report his program's censorship "as a flagrant violation of freedom of expression."

BRIEFS

AMBASSADOR TO ITALY ACCREDITED -- The new Peruvian Ambassador to Italy, Luis Solari Tudela, has presented his credentials to Italian President Francesco Cossiga. [Summary] [Lima Radioprogramas del Peru Network in Spanish 2200 GMT 6 Mar 86 PY]

HUNGARY'S FOREIGN MINISTER SUPPORTS CONTADORA

FL072338 Mexico City NOTIMEX in Spanish 2125 GMT 7 Mar 86

[Text] Mexico City, 7 Mar (NOTIMEX) -- Hungarian Minister of Foreign Affairs Peter Varkonyi has spoken in support of the peace-seeking efforts of the Contadora Group and has rejected statements by U.S. Secretary of State George Shultz to the effect that the Contadora Group is mistaken in its Central American policy. Upon his arrival in the Mexican capital, the Hungarian minister of foreign affairs said the Central American crisis must be resolved by peaceful means through negotiations, with no foreign intervention, and with strict respect for the sovereignty of the peoples. If all the interested parties obeyed these rules, he said, the Central American crisis could be resolved in a matter of months.

Varkonyi stressed Mexico's role in Contadora, saying that Mexican participation and that of the Support Group contribute to the solution of Latin American problems by the interested parties, without foreign intervention.

At a press conference held in the official salon of Mexico City International Airport, the Hungarian official said the problem was very serious and difficult to resolve; he also pointed out the urgent need to create a new economic order.

Sepulveda Meets Varkonyi

FL081500 Mexico City NOTIMEX in Spanish 0400 GMT 8 Mar 86

[Excerpt] Mexico City, 7 Mar (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor said today that the international economic crisis is due to the claims made by countries and majority groups that search only for development.

During a reception held for Hungarian Foreign Minister Peter Varkonyi, who arrived in Mexico City today and will stay until Sunday, Sepulveda Amor said each nation should determine the method of confronting and directing the economic crisis without outside interference. The Mexican foreign secretary also said that during the last 10 years Mexico and Hungary have considerably developed their diplomatic relations and economic and cultural ties. Currently, he said, we have agreements in the areas of trade, education, science-technology, and culture, which has allowed for gradual diversification of cooperation.

Varkonyi said that in multilateral affairs, the two countries agree on universal disarmement, peaceful solutions to conflicts, increased efficiency in the UN system, and international law.

Sepulveda Amor stressed Hungary's role in promoting dialogue and reciprocal confidence in Europe.

JUSTICE CHARGED WITH HELPING DRUG TRAFFICKERS

PA110359 Mexico City XEW Television Network in Spanish 1300 GMT 8 Mar 86

[Text] Members of the Supreme Court of Justice in plenum agreed yesterday to suspend Justice Jose de Jesus Taboada Hernandez, who will be investigated in order to determine his responsibility in the presumed crime of revoking a warrant of arrest and ordering the release of a band of drug traffickers.

NICARAGUAN PLI LEADER GODOY ON OPPOSITION

PA060310 Panama City Circuito RPC Television in Spanish 0330 GMT 3 Mar 86

[Interview with Virgilio Godoy, president of Nicaragua's Independent Liberal Party, PLI, by Mayin Correa in Panama City; date not given -- recorded]

[Excerpts] [Correa] I welcome you, Dr Godoy, to "Special Edition." Please introduce yourself to our viewers. You were a presidential candidate in the past elections.

[Godoy] Yes. For the past 8 years I have been the national president of the Liberal Party which, as you said, is now part of the opposition, although this was not always the case.

We were part of the struggle against Somoza, and in the early times we also supported the process of changes in Nicaragua within the framework of what was called the program of national reconstruction. Now, in view of the manner in which the political system has evolved, we are again a part of the opposition in which we spent 35 years struggling against Somoza.

[Correa] Doctor, many of us do not understand how you can work politically -- not that you do not exist or organize yourselves, not that you do not exist as a political party, or struggle politically -- but we do not understand how there can be politicians who believe that communists with good ideological backgrounds, who belong to the group of people who believe in changes through the system of state power, can be worked with politically. For example, I see that your vice presidential candidate was a Marxist, a declared Marxist. I have read about him, this Pereira, Constantino Pereira. How could you work politically with a person who does not share the liberal principles the liberal parties in Latin America have traditionally endorsed?

[Godoy] Well, I am not really very sure if this person is really a Marxist. He is a very shrewd businessman. It would be very strange to find a merely declared Marxist who is a capitalist -- and at times among the shrewdest -- at the business level. There is a lot of that in Latin America, contradictions between the way one thinks and reality. It was not difficult because we were determined. Liberalism does not mean to us a static, frozen, or deadlocked activity, but a growing movement aimed at simultaneously, or nearly so, the requirements for well-being that make it possible for people to think of defending their liberties better and, therefore broadening the framework of those liberties which many times have only existed in books, in the laws, but which in practice have been very slim, very weak, and have been repeatedly trampled.

Therefore, all of this makes up a liberal party which, by its multiclassist definition, includes people who could be a little beyond liberal thought in one way or another, because they cover the entire chromatic scale. This happens more often than we would like, but it is a reality. This does not happen in vertically oriented parties, but the liberal and democratic parties rather tend to have horizontal organizations where opinions must be heard, and where there is an internal situation that allows dismissals, promotions, and demotions, depending on the capabilities of each person in a political community.

In addition to this, it is not only personal activities but each organization's strategies or tactics that allow certain people to move up at a given time. Therefore, I can explain the concern expressed in your question, in your observation. In the specific case of this man, who is no longer a liberal, he was finally expelled from our ranks more than a year ago.

He has been tossing about in the air because he is not on one side or the other, he is not accepted on our side, and the other does not trust him. You imagine that this is a very uncomfortable situation.

[Correa] Doctor, what is your opinion of the trade embargo imposed on your country by the United States? Many people believe and say that each country has the right to trade with whomever they want, and yet they justify the embargo as another form of pressure against the Nicaraguan Government to force it to talk with the opposition, with all opposition against its government, whether in arms or not, and the political opposition. Meanwhile, others see it as a rather cruel way to punish a people, because the people have suffered, and others feel that the embargo -- as in Cuba -- did not really work because Nicaragua trades with other countries that have trade relations with all nations, such as Panama, for example, which has opened trade to everyone. Proof of this is that Nicaragua has many businesses that purchase whatever they want here, be it from the United States or not. In other words, the embargo has not effectively pressured Nicaragua.

[Godoy] I would say there is a little of everything you have mentioned. The embargo is cruel because it hurts the people, who are not to be blamed for what a government does, it subjects them to restrictions. It is inefficient because there are a number of ways to evade the problem. Triangulation is very common. In Nicaragua, if you have the dollars to import, you can get anything you want from the United States. You simply order from a second country, and from there the merchandise is sent to Nicaragua. The embargo has also been used as a justification. It has been used by the government to point out the U.S. Government's aggressive policies.

From my point of view the embargo was an error, a mistake, because it has not fulfilled the objectives it pursued or still pursues from the viewpoint of those who imposed it. It serves those who theoretically endure it, although in fact it is only a formality. There is even a U.S. airline that makes direct Miami-Managua flights every week, despite the embargo. Well then, this was one of the many mistakes that are made in international policy and which have not had satisfactory results for anyone; not for those who imposed it or for those who have to endure it. It has simply been exploited as another argument within a policy that describes it as aggressive.

[Correa] Do you believe that the opposition to the government of the nine commanders should sit down and talk? That is, the armed opposition as well as the internal opposition; you, the politicians?

[Godoy] That is perhaps one of the issues most debated for a long time in Nicaragua; the government says no! The U.S. Government says yes! This is a condition for things to return to normal. However, in politics things are never black or white. Normally, colors are shades, some a little lighter, others a little darker, but they are not black or white. The world is not divided between the good and the bad. Those people who are at times good, other times bad, most of the time more good than bad, can eventually be more bad than good. However, some type of norm usually prevails, and in this case governments are like people. They have incurable vanity, they are always a little stubborn, and they always try to save face. I believe that in the end this is what will happen. There will be negotiations, but they will be such that they will not mean that -- in Contadora language -- the regular groups and irregular armed groups sit down with the commanders.

In the end what really matters is the solution of the problem. It is not necessary for the groups to be sitting face to face to come to an agreement. This is my opinion.

[Correa] You believe, then, that the time will come when the nine commanders will sit down and talk with the armed opposition and the political opposition?

[Godoy] Perhaps the nine, the six, the three, or the one, but something must be done, because I think it is a fait accompli, that there is no possibility that the Nicaraguan case will be solved through military means. Anyone who thinks in this manner should just simply accept there is the possibility that this might lead to a very long war. In Guatemala the guerrillas have been fighting for over 30 years. In Colombia the guerillas have also been fighting for over 30 years. From an internal point of view, what we seek is some formula that will prevent two things that are very dear to us: bloodshed, mostly affecting youths, and a destruction of what little we have. It does not please us at all to think that, in the long run, when finally this is solved someday, we will have a negotiated solution on top of smoking debris. Thus, we think that common sense will have to prevail somehow, and we must reach that negotiations table as soon as possible.

[Correa] Doctor, as I speak with you I am thinking that your stand is different from the stand of those ruling Nicaragua -- the nine commanders -- and wonder how can you exist as a political opponent in a country where the media is under total censorship? The government fully controls most of the media, the divine mobs physically punish anyone carrying out public opposition activities, there are defense committees in the neighborhoods who denounce anyone who makes even a small reference to any opposition. How can a political opposition exist in such a country, in a fully totalitarian regime?

[Godoy] I understand you perfectly well, but when an outsider looks at Nicaragua, he sees only two things: The FSLN on one side, and the FDN [Nicaraguan Democratic Force] on the other side....

[Correa, interrupting] Or the UNO [Nicaraguan Opposition Unity].

[Godoy] Well, that is more or less the same thing. The rest of the story, which includes the political parties that are inside, takes place inside, as if behind a wall. Nobody finds out about anything, nobody worries, and perhaps nobody cares. But the truth is that they exist and they are working.

[Correa] Do you not think that your group is legitimizing the government, since you are being used to establish this confusion that the nine commanders have established in the world? Many people think that the Nicaraguan Government is not totalitarian, in spite of the fact there is no freedom, the church is being persecuted, many private enterprises have been intervened in or confiscated, and human rights are not respected.

[Godoy] That argument has been manipulated. It is very difficult to determine. Sometimes I wonder when I ask some people if this is true even though, for example, LA PRENSA is being published, although it is subject to censorship. One might then think that LA PRENSA is contributing to this international legitimate picture the country presents. However, it is very difficult. The armed political action could be one way to legitimize the government. This allows the government to have the excuse that it is defending itself from those who are receiving strong foreign support. The same could be said of the persons who have had to leave the country, for several reasons. What is better: to be outside, where it is possible to speak out, as I am doing here, but I also speak out over there.

[Correa] Where?

[Godoy] In Managua.

[Correa] Through what means?

[Godoy] Through the small meetings that are still being held.

One cannot speak in the social communications media, because it is under government control. However, what is said outside does find its way inside. That is the message.

[Correa] On the subject of Contadora, you have said here that it cannot be said that Contadora has made use of all its resources and you give the group much credit. Some international political observers believe Contadora has given the Nicaraguan Government an opportunity to gain solidarity, to achieve its totalitarian revolution, which is the goal of the government. How do you feel about Contadora?

[Godoy] Undoubtedly, Contadora has been a very controversial effort. Some say it has allowed time for the FSLN to consolidate its power, to equip itself with weapons. I feel it would have happened, regardless of Contadora. We must consider Contadora more on the subject of what it will do if the document is ever signed, than what it has achieved so far. Chapter Two is very important. It refers to the internal situations, to the process of national reconciliation.

On the other hand, even if there has been militarization, the document also refers to demilitarization, to disarmament, to the departure of the foreign military advisers, and so forth. Naturally, this goal has not been reached yet. There has been a lot of work done, but it has not been completed yet. All necessary efforts have been made. However, the problem is not strictly a Central American problem. It is not strictly a Nicaraguan problem, or a strictly Salvadoran problem. The region has become a sordid battlefield -- and the Contadora foreign ministers themselves have admitted this -- of the interests of the superpowers. The superpowers have their own appetities, because after all, the superpowers have taken upon themselves certain responsibilities that necessarily lead them to frictions, rivalries, and so forth.

In this respect, the Nicaraguan case is a very significant example. In addition to the internal problems -- the struggle of the Nicaraguans themselves -- there is the struggle for control by two superpowers. This is what has poisoned more, let us say, the atmosphere in such a manner that Contadora is now in the same situation as the internal political parties. There is a struggle between the superpowers, and Contadora is one side. No matter how hard it works Contadora is not given credit. In the case of Nicaragua, the struggle is between the FDN and the FSLN, and the political parties are apparently removed from this framework of actions.

Thus, I think the problem is that Contadora has not yet achieved some sort of an agreement that can be strictly fulfilled, with clear mechanisms of verification and control and with effective commitments within each country in order to reach some sort of national conciliation that will allow a reduction in violence and to attack the root of the problem, that is the social problems. One cannot allow the majority of the people to continue living in poverty, illiterate, sick, and naked, because this is when totalitarianism becomes a temptation. It is easy for a hungry person to accept a certain role in exchange for meeting his basic needs. This is something we politicians have not clearly understood, that the people can defend their liberties better and can resist these temptations if their basic needs are met.

[Correa] Doctor, the Nicaraguan Government has been charged with.... [changes thought] I have seen a statement by a former member or someone who participated in such drug trafficking operations. In addition, I have heard the information about the Nicaraguan Government's participation in the case of the Supreme Court of Justice in Colombia affirmed. Practically all the members of the Court and 50 other people were killed during this attack. What do you think about a government that tries to meddle in other countries' affairs through violence?

Some of us in Central America fear that we now have on our continent a government that has declared as one of its objectives expanding revolution to the Central American area. It has shown this to be so because it knows it can do it. What is your opinion?

[Godoy] A considerable messianism always exists in revolutionary movements, particularly in those of the far left. They not only consider themselves to be the saviors of their own immediate situation, but they feel they are sort of pioneers or small prophets of the social revolution events elsewhere. This is an old, rather than a new story. In our own time, we the liberals have suffered this intoxication. Of course, it is much more difficult and also easier today, depending on how we look at it. The world has become more interdependent and smaller by the day. Because of this, it is relatively easy to detect this type of movement based on triumphalism or revolutionariness. This is more or less the idea.

Naturally, this elicits an affectionate adhesion in many people. We Latin Americans are very romantic and give a halo of martyrdom, heroism, and sacrifice for efforts to sell a product that we have not yet seen but that sounds very good to us. We suffered a similar illusion in the last years of the dynasty. We used to say something like this: Anything that comes after this will be better. This is a fatal and dangerous concept. Precisely for this reason, current political speeches stress caution against issuing a sort of blank check, so to speak, for someone else to write the amount. All that comes will not necessarily be better. We must move slowly and carefully, particularly seeking a sense of confidence to know what we are up against and why and where we want to go rather than simply entering the future like someone who jumps out of a window, into the void.

[Correa] We still have some 5 minutes left. I would like to discuss the Catholic Church's struggle with the Nicaraguan Government's threats and censorship. Do you believe that Cardinal Obando y Bravo is truly a leader with authority since he struggled against another dictatorship, since a large percentage of the Nicaraguan people are Catholics and believe in him, and since he won the people's trust due to his humility? Is he really very important in this struggle for Nicaragua's freedom?

[Godoy] The participation of everyone is important in this struggle. Naturally, the Catholic Church is not a political party. To a certain extent, this is advantageous because it prevents the church from embracing a specific ideology in democracy. Among Catholics there are liberals, conservatives, social Christians, social democrats, you name it. The cardinal is a figure with authority because he has always been willing to defend the basic rights of the Nicaraguan Catholic community, which is very large. We never know exactly how many, but apparently more than 80 percent of Nicaraguans are Catholics. So, one of the mistakes of the government and its party was precisely first to become separated from it, and then to have more or less strong disagreements with the Catholic Church. This faith is something which is deeply rooted in the Nicaraguans and particularly the peasants. To touch the Catholic Church and its leaders, for example cardinals, bishops, or priests, is a bit like stirring a wasps' nest. Care was not taken to seek a realistic solution to disagreements, and the church people were attacked in two ways: First, rather strong pressure was put on them; and second, through a degree of support for the development of the so-called popular church. It is a very curious church, as it is directed by aristocratic priests. This is very interesting, and one of the many contradictions that one can observe in this very small, but terribly complex country. Then, the cardinal... .

[Correa, interrupting] Is the popular church becoming very strong?

[Godoy] No, at the beginning it was, but the Catholics soon rallied round their natural leader, in this case, Cardinal Obando Y Bravo.

[Correa] In other words, they have helped strengthen the Catholic Church.

[Godoy] This is another illustration that such situations sometimes backfire. Really...

[Correa, interrupting] The people side with the victim.

[Godoy] Let us say this brought about a consensus and a strengthening of the traditional ecclesiastical structures in the country.

[Correa] Doctor, what do you think about the political leaders of the armed movements FDN and UNO, such as Calero, Robelo, and Cruz? What is your opinion?

[Godoy] As you will understand, I am a member of a political party. I am the president of a political party. My activities are civilian, civic. Therefore, in principle, we cannot share, much less admit, the idea that violence is the proper way to settle problems. We have mentioned this to the government and to other groups. I will not discuss the reasons for this here. I believe that, as they said recently, these groups and organizations will some day choose negotiations rather than devastation. This is an encouraging sign. I hope this will not only be a statement, but a clear evidence that they want to treat this path. UNO's recent statement is also an indication of this. In addition, the Nicaraguan Government has expressed willingness to negotiate and, of course, set impossible terms. I think the climate will have to improve until one of these days -- I hope it will be soon -- we can be face to face, not necessarily in a physical manner, but through political willingness, to reach in accord that will reconcile the Nicaraguan people, permit the restoration of peace, and facilitate a new effort for the solution of those big problems that I mentioned some moments ago.

NATIONWIDE STRIKE GAINS 'PARTIAL SUPPORT'

PA101906 Panama City Circuito RPC Television in Spanish 1743 GMT 10 Mar 86

[Text] The national strike promoted by the National Council of Organized Workers, Conato, has received partial support until now, according to reports from all parts of the country. In Panama City, almost all industries are operating almost normally. Public institutions are offering their services to the community, with the exception of the Institute for Hydraulic Resources and Electrification, IRHE, whose workers have joined the Conato strike. Shops in Panama City opened for business as usual, and there are many persons walking down Central Avenue. However, at approximately 1130, a small group from the Business Workers Union closed the stores on Central Avenue, the most important commercial area in the city. The stores owners had no choice but to close in view of the pressure from the workers which might have led to violence, while the authorities just watched and did nothing. Traffic was also affected when the important avenue was practically blocked. While this happened on Central Avenue, the leader of the Confederation of Workers of the Republic of Panama, Ricardo Monterrey, analyzed the strike and said:

[Begin recording] The unions are abiding by the call to strike. We have received reports from Chiriqui that Petroterminales de Panama, Inc., the Coca-Cola Company in Chiriqui, the banana company at Bocas del Toro, and the Panama refinery have all stopped work. We want to our people to remain firm, to remain on strike, and to remain calm because we do not want any violence. However, we want them to remain firm in our stand. We also want to tell the national government that we are part of this country and that if they are negotiating with the banking sector, they should also talk with the people. We are the people [end recording]

EL SALVADOR

DUARTE DISCUSSES SIMULTANEOUS DIALOGUE PROPOSAL

PA102256 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 10 Mar 86

[Interview with President Jose Napoleon Duarte by YSKL correspondent Rosa Candida Castillo on 10 March in San Salvador -- recorded]

[Excerpt] [Castillo] What can you tell us about the peace proposal made to Nicaragua, in the sense that they hold talks with the contras while you do the same here with the guerrillas? What do you have to say?

[Duarte] I have made this proposal for the sake of peace, because as long as Nicaragua continues to destabilize the country, peace cannot be achieved in El Salvador. Therefore, the search for peace in El Salvador is linked to the search for peace in Nicaragua. An understanding between Nicaragua and El Salvador is vital to achieve peace in our country. I think the people understand this, and this is why I made the proposal. Of course, the extreme left will not accept the proposal; some of them have already rejected it. Why? Because they are not truly interested in peace. They do not want to participate in a sincere dialogue for peace. Instead, they want a tactical dialogue, to make propaganda for themselves. However, that is not the important issue. What is important is trying to achieve peace.

[Castillo] Do you have the support of other government leaders concerning your peace proposal to Nicaragua?

[Duarte] Well, several government leaders have made favorable comments. May I recall that a few days ago, the Panamanian... [corrects himself] Costa Rican president-elect made a statement some interpreted in the sense that he was not supporting the democratic process. However, immediately after I presented the proposal he made a statement expressing his total support for it. The Honduran and Guatemalan presidents have also voiced their support. In sum, the presidents in the area and also in other parts, as in South America and the United States have been analyzing my proposal. Moreover, U.S. President Reagan has appointed a new representative to Central America, whose first visit will be to El Salvador, precisely to discuss this peace proposal.

[Castillo] What is your opinion of the new transportation stoppage declared by the guerrillas?

[Duarte] Well, that shows that they do not care for the people. Whom are they really hurting? The government? No. The Armed Forces? No. Who suffers? The people. This shows that they do not want peace, that what they want is to destabilize the country, create problems for the people, make the people suffer, create shortages, make prices soar. In sum, it is all part of a plan on the part of the guerrillas to make the people suffer. I am struggling, together with the government and all the ministers. in an effort to ease the people's suffering. However, the guerrillas insist on bringing more suffering to the people.

[Castillo] YSKL friends, you have just heard President Jose Napoleon Duarte's statement during an interview he granted to us after receiving the credentials of the new ambassador of Taiwan. President Duarte reiterated that the government has no objections to some of the guerrilla commanders returning to the country. Those commanders have announced that they will soon arrive here. He said: Yes, I agree that they should return to the country. Why? So that they can account for all their crimes. They should go to the police, and pay for all their crimes.

ACEVEDO ON REFUGEES, BORDER ISSUE, DIALOGUE

PA110247 San Salvador Radio Cadena YSU in Spanish 1800 GMT 10 Mar 86

[Telephone interview with Deputy Foreign Minister Ricardo Acevedo Peralta by reporter Joel Burgos; date not given -- recorded]

[Text] [Burgos] The Honduran Government will ask the Salvadoran Government to expedite the negotiations for the voluntary repatriation of Salvadoran refugees. Honduran authorities have said that the talks have come to a standstill. In this regard, we interview Deputy Foreign Minister Ricardo Acevedo Peralta over the phone.

[Acevedo Peralta] I do not believe that Honduras should demand that anyone, much less we in this specific case, take immediate action regarding the refugee problem. You may recall that there is a tripartite mixed commission made up of the UN High Commission for Refugees, [UNHCR] El Salvador, and Honduras, which is in charge of the repatriation and of conducting all the pertinent procedures so that the repatriation is done according to the law. Therefore, I see no reason why Honduras should demand anything from us. The truth is that adopting that attitude is unnecessary. Everything is already regulated and coordinated so that Honduras, through the UNHCR and the commission, can convoke a meeting to that effect, whenever it deems it necessary.

[Burgos] We would also like to know what progress has been made for the resolution of the border dispute with Honduras.

[Acevedo Peralta] Regarding the commitments to coordinate the activities and actions before the International Court of Justice, everything is progressing well and expeditiously. We will have a third meeting here in San Salvador on 17-18 March. As I said, this will be the third meeting of the Commission of Territorial studies [Comision de Estudios Territoriales] which, according to the treaty, will be responsible for producing a joint agreement in which the two countries will agree to appear before The Hague International Court. That document will be ready in the next few days. The meeting will take place on the 17th and 18th of this month, and I do not believe any further meetings will be necessary to finalize this formal commitment on procedures that will enable the two countries to act based on specific norms agreed upon by both sides.

[Burgos] We would also like to know if there is any knowledge that an FDR delegation will arrive in our country to resume talks with the Salvadoran Government.

[Acevedo Peralta] President Duarte has proposed a parallel dialogue in Nicaragua, which is consonant with the principles maintained by the Contadora Group. You may recall that the Caraballeda document includes a call to the Central American countries to resume the efforts for national reconciliation. Nicaragua must follow this recommendation, which, I repeat, falls within the Contadora Group's intitiative, which Nicaragua promised to respect through the declaration of Guatemala. We are fulfilling those initiatives, those actions in favor of peace, as the Contadora Group describes them, and President Duarte's proposal must be understood in this sense as well. Simultaneous actions are necessary in order to advance. We have interpreted this in the Contadora Group's recommendations also, in the sense that actions must be carried out simultaneously. Hence, that is the reason for the president's proposal. Now, if the guerrilla groups are interested in making contacts here, we will have to meet with them and establish the norms for a new dialogue. This will happen, of course, as long as Nicaragua also complies with the commitments it has acquired with the Contadora Group.

OFFICIAL NOTES RESPONSES TO DUARTE PROPOSAL

PA102108 San Salvador Television Educativa in Spanish 1230 GMT 10 Mar 86

[Text] Deputy Communications Minister Roberto Viera has revealed the government's position in the face of the FDR-FMLN proposal on a practical operational plan to carry out the third phase of the dialogue for peace in El Salvador.

[Begin recording] In response to a proposal made by President Duarte last Tuesday regarding a simultaneous dialogue, we could examine the feedback received. The first came from Moscow by Commander Bayardo Arce, a Nicaraguan commander, who is accompanied by a FMLN delegation in Moscow. A first negative reply rejecting President Duarte's proposal came up immediately.

Yesterday, FDR leader Hector Oqueli also gave a negative reply, another rejection of the proposal. He argued that the Nicaraguan guerrillas or contras are different from the Salvadoran guerrillas. Oqueli said that the Nicaraguan contras are bad people, that they are financed by the CIA and the United States, that they are murderers. On the other hand, the Salvadoran guerrillas are good people, because they fight for the people. I think this concept is refutable from all viewpoints, because we cannot conceive of their mining areas in which there are large numbers of children and peasant youths who are mutilated and killed as a result of mines planted by Salvadoran guerrillas; we cannot say that this is a good thing, or that the kidnappings and murders that they have carried out are good things.

I definitely think that the problem of violence affects the entire world; those who chose the path of weapons are going against society. Regardless of whether it involves a capitalist or a socialist society, or any political or ideological inclination, the premise is that those who seek the path of weapons and violence are seeking to dehumanize society.

Today, FDR leader Ruben Zamora also said that he would send a proposal. I understand that this proposal will be delivered through Msgr Rivera y Damas who is the middleman.

However, the fact that they are saying that the problem of Nicaragua is that Nicaraguans have to hold a dialogue with the United States, they will talk with the guerrillas, should be noted. You might recall that before the first round of talks in La Palma, they gave that same response when President Duarte extended them an invitation. They said: No, we will talk with the United States, because Reagan is the boss in El Salvador, not President Duarte.

That is exactly what they are saying in Nicaragua now: We will talk with the United States; that is what they are saying. We could draw an analogous response to that statement. Knowing that Salvadoran guerrillas are in Moscow and others are in Havana now, we could say: Look, let us talk with the Cubans or with the Soviets, because everyone knows that the logistics and financial support of the Salvadoran guerrillas comes from those places.

However, we believe that the effort of the dialogue must be carried out internally here in El Salvador and Nicaragua. That is why the presidents of the Central American area, presidents who emerged from democratic elections in Central America, are supporting this idea.

Costa Rican President-elect Oscar Arias has extended his support to the proposal of President Duarte. He said that it is an excellent proposal to seek peace mechanisms for El Salvador.

In addition, Guatemalan President Cerezo proposed the establishment of a Central American parliament. Each country would elect is representative to ensure that there will be a Central American organization that will look after the interests of Central Americans in their quest for peace.

President Duarte' proposal for dialogue in El Salvador and Nicaragua is also within this framework; it aims to find mechanisms leading us to peace in the Central American region. I believe that President Duarte feels the same way; he wishes to seek, together with the other democratic presidents in Central America, a path of dialogue and peace for Central America. [end recording]

RIVERA Y DAMAS SAYS CHURCH 'PREPARED TO MEDIATE'

PA100348 Paris AFP in Spanish 2109 GMT 9 Mar 86

[Text] San Salvador, 9 Mar (AFP) -- The Salvadoran Catholic Church "is prepared to mediate" in a new dialogue between the guerrillas and President Jose Napoleon Duarte's government, it was stated today by San Salvador Archbishop Monsignor Arturo Rivera y Damas.

The prelate was pleased with President Duarte's proposal to renew the dialogue with the guerrillas if the Sandinist Government does likewise with the Nicaraguan rebels.

The archbishop said that this proposal "is another effort in favor of peace," and added that the most important thing for the Salvadorans is the dialogue between Duarte's government and the FMLN.

Nevertheless, Monsignor Rivera y Damas said it is necessary to hold some preliminary meetings to make a fruitful third round of talks possible.

The religious leader said he did not know when the rebel delegation would travel to El Salvador to make preparations for a peace dialogue, as announced by the clandestine station Radio Venceremos.

Referring to the results of an eventual meeting between the rebels and government representatives, Monsignor Rivera y Damas added: "We have always said that if the dialogues are going to prove effective, they must be held at three levels: national, regional, and geopolitical. However, as a church we must develop a national dialogue."

Referring to the appointment of Philip Habib as special U.S. envoy to Central America, the Salvadoran archbishop said this "means that the situation of the conflict has worsened, making it necessary to send a person with better abilities."

Denouncing the temporary arrest of four members of Doctors of the World by police, Monsignor Rivera y Damas said that he will contact the Salvadoran Government so that the humanitarian organization is allowed to continue working with the civilian population in the conflict areas.

The religious leader reported the death of 42 alleged guerrilla members and 16 soldiers in counterinsurgency operations carried out last week.

Archbishop Rivera y Damas also said that he will soon ask the Army and guerrilla groups to declare a cease-fire from 23-30 March, so that Salvadorans may celebrate the Holy Week festivities in peace.

SUSPECT IN U.S. CITIZEN'S MURDER DETAINED

PA101659 San Salvador LA PRENSA GRAFICA in Spanish 7 Mar 86 pp 2, 31

[Excerpt] Yesterday the third justice of the peace ordered the detention on remand of Carlos Alberto Romero Flores, who is involved in the death of Peter Stryker Haskal, a U.S. citizen.

At the end of the inquest, which concluded at 1300, Judge Rosario Boyd de Castro signed the arrest warrant stating there is sufficient evidence against the accused. This evidence was supplied by three key witnesses in this process.

Haskal was killed in the Modelo residential area on 15 February. In the case against Romero Flores, it was indicated that in his statement the suspect admitted to having fired a weapon at the location and time of the crime. In addition, he said he was in the company of the murdered individual at the place and on the date of his death. According to the record, Romero Flores made these remarks to Judge Rosario freely and spontaneously.

GUATEMALA

COMMISSION TO INVESTIGATE MISSING PERSONS CASES

PA081946 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 8 Mar 86

[Text] A mixed commission will be formed to investigate the cases of missing people. During a meeting held this afternoon between the Mutual Support Group [GAM] members and President Vinicio Cerezo, it was decided to form a commission to investigate the cases of missing people.

President Cerezo proposed the creation of a nongovernmental commission to include the Supreme Court, the various churches, the Red Cross, and delegates of international organizations. The GAM presented a counterproposal to establish a mixed commission that would also include representatives of the government and Congress. President Cerezo accepted the counterproposal. Progress in establishing the commission should be known by next week. GAM also proposed that the commission include trade union delegates, San Carlos University students, a journalist, and foreign personalities, such as Adolfo Perez Esquivel, winner of the Nobel Peace Prize, and writer Ernesto Sabato. GAM said that the government must be included in the commission so that its responsibilities will not be evaded.

Vinicio Cerezo said that the investigative commission on missing people will be a legally established authority. When the commission is formed, the judiciary must grant it authority, through a process to begin now, the commission can begin to work as soon as possible. The investigative commission will be a legally established authority and will have every freedom and guarantee to undertake its investigations.

GAM insisted that the assassins of the people must be punished. GAM again asked President Cerezo for guarantees so that when the investigative commission ends its work, all those persons found to be involved in human rights violations will be prosecuted. GAM said that it is not a matter of revenge or vengeance but of the enforcement of the law and the Constitution without confrontations. President Cerezo replied that the judges in charge of imparting justice will be the ones who will deal with the accusations presented by interested individuals after the results of the investigations are issued.

GAM DISAPPOINTED AFTER DISCUSSION WITH CEREZO

PA102006 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 8 Mar 86

[Text] GAM members appeared very upset after their meeting yesterday afternoon with President Cerezo. Their annoyance began when the president told them that his mission is not to pass judgment on anyone. He said this when the GAM members told him that the persons responsible for having thousands of persons arrested and missing should be punished.

The meeting became more bitter because of the shameful meeting on the previous Friday when, according to some observers, GAM insulted President Cerezo. GAM explained to Cerezo that it has never insulted the president, but only stated the truth: While it is true that the current president is not responsible for illegal arrests, he is the person responsible for carrying out justice and correcting past errors.

President Cerezo told the GAM delegation that they are masochists and sadists, which fueled the already heated relations. The members of GAM wanted to tell Cerezo about the sad events that separated them from their loved ones.

At the conclusion of the meeting, the relatives of missing persons stated their general dissatisfaction with the president and their lack of trust that justice will be done, as President Cerezo had once promised.

President Cerezo told the women of GAM that Congress is the only state branch that has the authority to abolish the political amnesty decreed by the de facto government of General Mejia Victores. The women had insisted that such a decree is unconstitutional and that it should be abolished immediately since it favors the sector that has most punished the Guatemalan people: the Army. The GAM women said that they are struggling for respect for the defenseless civilian population and that they are not involved with the guerrillas, as it has been intimated in the past.

REBELS, ARMY CLASH IN PETEN DEPARTMENT

PA071855 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 7 Mar 86

[Text] It has been reported that a clash occurred between the Army and guerrillas in Peten Department, and that an undetermined number of people were wounded. A subversive commando group seized Palestina village, La Libertad municipality. The Army was deployed to the area. The soldiers were received with bullets. They returned the fire and both sides suffered casualties.

HONDURAS

WEINBERGER STATEMENT ON CONTRAS VIEWED

PA071801 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 7 Mar 86

[Station commentary: "Honduras' Dignity Is in the Mouth of the Defense Secretary of the United States"]

[Text] Honduras' dignity has been going from mouth to mouth since Caspar Weinberger said that Honduras will continue serving as a base for Nicaraguan counterrevolutionary forces for the purpose of overthrowing the Sandinist regime of Managua.

The presence of the counterrevolutionaries in Honduras is undeniable now as the presence of the Sandinists was in the past. The only difference is that the Sandinist guerrillas functioned against the will of the Hondurans and had neither direct nor indirect support from the Honduran authorities.

U.S. Secretary of Defense Caspar Weinberger has taken upon himself the task of spreading to the four corners of the world, through a U.S. committee and the entire publicity means of the United States, that Honduras has served as a base for the counterrevolutionaries to receive all sorts of supplies. We have to point out that the contras do not have, either, Honduran approval to operate as they please in our territory.

While we acknowledge they have the right to struggle to overthrow their country's regime, this right does not include the right to commit abuses such as taking possession of tilled land and plantations in the border areas.

In view of this rejection by the people, the Honduran authorities -- the previous authorities first, and now the current authorities -- have always been careful to issue denials every time the North Americans have proclaimed our complicity with the counterrevolutionaries. But now this denial has not only been put in doubt by important U.S. officials, there is now a situation in which when the Honduran authorities deny this support, they are lying to their people, for obvious reasons.

Caspar Weinberger, the number one man in the U.S. Pentagon, has said in plain language in front of a U.S. special committee that Honduras and its government have been making formal contributions to the struggle of the counterrevolutionaries by supporting the Nicaraguan Democratic Force [FDN], and, more specifically, by lending the territory of Honduras so that the anti-Sandinists may resupply themselves.

As expected, the Office of the Foreign Secretary has issued a half-page bulletin trying to refute the number one man of the Pentagon with a feeble allegation that does not evade the childish course that has been used in the past. However, the Honduran people have learned to attach more seriousness to what is said in Washington than what is said by our rulers.

Let us see why. Three months prior to the installation of the Regional Military Training Center, the Pentagon announced with much noise and praise that a military training fort that would have all the characteristics of a U.S. base was about to be installed in Trujillo, on the northern coast of Honduras.

The announcement came as a shock because the Honduran Congress had not even heard of a project in that regard, in spite of the fact that the Hondoran Constitution demands that the National Congress is the only branch that has the authority to discuss and approve the presence of foreign military forces in our territory.

The Honduran Congress became aware of the situation when the training center was already installed in Trujillo. The Honduran congressmen did not discuss the installation of the center prior to its actual installation. What took place afterward was a forced procedure. This was done because of the power of Gustavo Alvarez Martinez, who at that time was the top Honduran military chief and the power behind the throne.

But Washington had announced the situation, and they were telling the truth. The North Americans have an open mind and don't hide this type of activity from their people. They were as clear then as Caspar Weinberger is clear now and as U.S. Secretary of State George Shultz was 3 days ago.

Shultz said that there are enough reasons to believe that with the new Honduran Government, the contras will have more room to operate from Honduran territory.

The image of the Honduran president has been trampled on because only 1 day after his visit to Washington, the North Americans said that Azcona had offered them support for the counterrevolutionaries so that the counterrevolution could win. We don't know if the North Americans are using the confrontation technique, making the Nicaraguans view the Hondurans as enemies, feeding ill feelings that could lead Honduras and Nicaragua to a war that would have unforseen results.

Anyhow, it is all the same. In the eyes of the world, Honduras and its rulers are liars who deny facts. Mr Weinberger has said that Honduras supports the counterrevolutionaries. This statement by the number one man in the Pentagon will not be erased by a little bulletin from the Foreign Secretary's Office.

More convincing and valid arguments will be needed to tell the world that Mr Weinberger has taxed us with complicity because that gringo is crazy. The most difficult problem for the Honduran Government, though, is how to explain to the thousands of Hondurans who live along the border that their government, the Tegucigalpa government, supports groups that are viewed as responsible for damaging the Honduran economy by destroying coffee and other plantations, killing cattle, and stealing domestic fowl in that area. How can we explain to our people from the border area that the Honduran Government is supporting such individuals?

It is necessary for Azcona and his public relations apparatus to clear up this statement by Weinberger. Weinberger said that there are enough reasons to believe that with the new Honduran Government, things are now changing in favor of the anti-Sandinist gurerrillas. Mr Weinberger's statement misrepresents the Honduran president and government because it leads to the belief that during his most recent trip to Washington President Azcona offered to help the anti-Sandinist guerrillas. The statement by the number one man in the U.S. Pentagon has left our government on poor footing domestically and abroad. The government is being viewed as a liar who lies to its own people and hides the fact that it is cooperating with guerrilla groups instead of banning them, as the Constitution demands. While the guerrillas have the right to struggle against the totalitarian regime that dominates their country, they must do it there, in their territory.

What Caspar Weinberger said could be empty words. However, the fact that this official has categorically stated that Honduras is firmly on the side of the Nicaraguan counterrevolution is enough for many countries to believe that this is what the Honduran Government does and thinks. Now it is up to the regime of President Azcona to act gently but firmly and to deny convincingly, not queasily, whether what Weinberger has said is true. Let facts be aired, and let the government not tell half-truths.

COMMITTEE REJECTS U.S. CONTRA AID REQUEST

PA101732 Panama City ACAN in Spanish 2323 GMT 8 Mar 86

[By German Reyes]

[Excerpts] Tegucigalpa, 8 Mar (ACAN-EFE) -- The Committee of Relatives of Missing Prisoners in Honduras today condemned the "$100 million in humanitarian aid requested by the U.S. Government for Nicaraguan "counterrevolutionaries." [quotation marks as received]

The $100 million that U.S. President Ronald Reagan is requesting "will serve to provoke a holocaust in our region," said members of this committee during a peaceful demonstration staged in downtown Tegucigalpa.

Relatives of missing people in Honduras stage a demonstration every Friday in front of the "La Merced" Catholic church, a short 100 meters from the Presidential Palace in Tegucigalpa.

In a communique issued today, they also noted that U.S. Secretary of State George Shultz "unmasked Honduran authorities who deny that there is a contra presence in the country."

The demonstrators said that their presence at "La Merced" plaza was in response to the situation that "100 Honduran families, victims of the application of the national security doctrine, are enduring." Their opposition to Reagan's request to the U.S. Congress is due to "reasons of national dignity and a result of all of the damages caused by the contras, of whom we are victims," the communique added. This committee also accused anti-Sandinist rebels of "being the organizers of the first paramilitary bands in Honduras and of sharing responsibility in the disappearances of political figures and in political murders."

The demonstrators added that Honduran officials have been "ridiculously and cynically" denying the presence of Nicaraguan "counterrevolutionaries" in the country. They also criticized the recent report issued by the U.S. State Department on human rights in Honduras. They said that this document is contradictory because it first states that the observance of these rights improved, but then it goes on to report tortures and the existence of "a deficient judicial branch" in this Central American nation.

"But this does not matter in the justification of the economic support that Washington is giving in exchange for permitting the violation of national sovereignty with the presence of marines and Nicaraguan counterrevolutionaries," the communique stressed.

They also accused Honduran Congress President Carlos Montoya of wanting to evade his responsibility and a "serious and thorough" investigation into the case of missing people in Honduras.

Montoya has said that this problem "does not correspond" [no corresponde] to the administration that assumed power on 27 January.

Regarding the current Armed Forces commander, General Humberto Regalado Hernandez, they said that he is an officer of "the same line" as former military commander Gustavo Alvarez Martinez, who is now a forced resident of Miami. The communique issued by the relatives of missing prisoners in Honduras also accused Lieutenant Marco Tulio Regalado Hernandez, the brother of the military commander, of being "a member of paramilitary bands and a great torturer."

DIPLOMATIC CORPS CUTS DUE TO BUDGET ANNOUNCED

PA090311 Tegucigalpa EL HERALDO in Spanish 7 Mar 86 p 38

[Text] About 20 diplomats have been dismissed from the foreign service because they were a heavy burden to the state treasury, EL HERALDO learned yesterday at the government palace. Most of the diplomats were attaches at various embassies and consulates and had been appointed during Roberto Suazo Cordova's administration.

Many of them are the children of officials and deputies who were influential in the previous regime and who had been sent abroad to study at the government's expense, and they did nothing to improve the diplomatic corps or the country's image abroad.

The reorganization of the foreign service is being studied by President Jose Azcona Hoyo himself, who is waiting for the Liberal and National Parties to present their suggested names for appointments.

It was learned that one of the first ambassadors to leave his post will be the representative accredited to Spain, Ivan Romero Martinez, who will be replaced by a member of the National Party proposed by the Central Committee chaired by Rafael Leonardo Callejas.

Likewise, it was learned that the following ambassadors will remain at their posts: Ambassador to the United States Jack Agurcia, Ambassador to Canada Alejandro Flores, and Ambassador to Mexico Ricardo Pineda Milla.

NICARAGUAN ARMY REPORTEDLY MINING BORDER AREA

PA060309 Tegucigalpa LA TRIBUNA in Spanish 6 Mar 86 p 4

[Text] Last week two Hondurans lost their legs when they stepped on a mine in Buena Vista, located in the eastern recovered [recuperada] area.

The injured persons are receiving medical attention at a health center. Their names are Agustin Mendoza and Oscar Hernandez. They had come from Las Troques searching for some cattle. When they got to Buena Vista, they saw that the area's evangelical chapel had been forced open. They decided to enter to find out what had happened. However, as they stepped inside the chapel, the mine went off.

The Sandinist People's Army [EPS] has made incursions into that zone. The EPS is placing mines all over the border. These mines have killed several Hondurans.

The incident has spread alarm among the zone's residents. Some who were planning to return are afraid they will find that their homes have been mined.

PRESIDENT APPOINTS SEVERAL DEPARTMENTAL GOVERNORS

PA090014 Tegucigalpa EL HERALDO in Spanish 7 Mar 86 p 4

[Text] The political pact signed by the movements led by Jose Azcona Hoyo and Rafael Leonardo Callejas continues in force as shown by an agreement announced yesterday stating that six members of the National Party had been appointed governors. President Azcona Hoyo had offered the main opposition leader to appoint National Party members as governors in the departments where Callejas had won, a promise fulfilled yesterday when the appointments were announced.

The new governors are: Salvador Villanueva in Intibuca, Noe Leopoldo Cruz in Copan, Rafael Alonso Izaguirre in Valle, Alvaro Mejia Allen in Gracias a Dios, Earl Marguin MacNab Evans in Islas de la Bahia, and Jaime Daniel Hernandez Cruz in Lempira.

Only one governor has not been appointed in departments where the National Party won, in Choluteca.

The same pact holds true for the diplomatic corps, where National Party representatives will also be appointed from a list of candidates proposed by party top leader Rafael Leonardo Callejas.

This means that the political pact between Azona and Callejas continues to be carried out and has not failed, as some dissidents of the Liberal Party have said.

NICARAGUA

BORGE: REAGAN SEEKS TO 'BLACKMAIL' CONGRESS

PA102127 Managua Radio Sandino in Spanish 1200 GMT 8 Mar 86

[Text] Commander of the Revolution and Interior Minister Tomas Borge Martinez said in Brazil: The U.S. Administration is inventing all kinds of hoaxes to justify its aggressive actions against Nicaragua before its people.

Commander Borge, who is visiting Brazil, pointed out that the campaign against the Sandinist revolution being carried out in the United States is needed by the Reagan administration in order to convince Congress to approve $100 million in aid for the contras.

He added that certain Reagan administration officials began gross blackmail to psychologically influence the Congress. All this shows that current U.S. leaders are not willing to recognize the Nicaraguan people's right to self-determination and are directly challenging international public opinion, the revolutionary leader concluded.

BARRICADA EDITORIAL VIEWS U.S. CONTRA AID

PA110034 Managua BARRICADA in Spanish 7 Mar 86 p 2

[Editorial: "The Image of Defeat Looms in Washington's Comedy"]

[Text] The fact that the most important officials of the world's most developed capitalist power have become immersed in a tense dispute on how to attack a small state or not to attack it, but to demand from it a course of action that harms its sovereign rights, itself constitutes a victory of the Nicaraguan people, regardless of the results of the dispute. That Nicaraguan victory begins when it is pointed out before world opinion that every discussion of Nicaraguan domestic affairs by a foreign power violates international law.

Consequently, the U.S. Government stands against all juridical and moral law by its discussion, in the U.S. Congress, of the financing of mercenary groups to attack a foreign nation with which the United States keeps diplomatic relations, as if to make the violation more evident. For this reason, all that is discussed and approved in the Congress must have immoral and violating roots in imperialist arrogance.

No elaborate arguments will be able to erase this stain from the U.S. Administration before international opinion and history. As for Nicaragua, reason will continue to be on our side, regardless of what may happen. We are the victims of an imperialist aggression and this fact will not be altered by exercises, propaganda campaigns, or the complicity of traitorous Nicaraguans.

This situation will remain unchanged even if -- as LA PRENSA gladly reports -- [Assistant Secretary of State for Inter-American Affairs] Abrams and other Yankee officials may say that Contadora and the rest of the world are mistaken, even if the mercenaries are painted in pink hues and although instead of regretting their defeat, they were to sing victory.

Aggression, however, will not be stopped for this either, nor will Reagan and his officials stop seeking arguments to justify their mercenaries' salaries, although they cannot avoid falling into contradictions and being exposed before the world. In addition to not finding valid reasons to openly intervene in the domestic affairs of a sovereign state, one of the major weakenesses of the Reagan stance is the evaluation of the role of the mercenaries before his own fellow citizens and the Congress.

Once the doubts regarding the overvaluation of the counterrevolutionary forces as fighters "for freedom" and "democracy" are dispelled, how do they explain that such forces do not get the people's support in Nicaragua even though they have this "noble mission" to fulfill and, in addition, admit that these forces are being militarily defeated?

Who can believe in the future success of mercenary bands that declare themselves lost if they are deprived of U.S. aid?

Is it not a fact that the U.S. state apparatus' major concern is the "question" of Nicaragua, that the Yankee government has turned its policy toward this country into a question of "honor" to the extent that it has disrespected all norms of international coexistence, and that it admits the contras' military inability, sufficient to deny any and all requests for more money?

The imperialists' logic seems to deny this with their actions and, in their stubbornness, they fall into greater contradictions and ridicule their mercenaries. As part of the anti-Nicaraguan crusade, all types of mercenaries were summoned to the United States to impress representatives and senators. Among those summoned was Enrique Bermudez, Somozist military leader of the so-called Nicaraguan Democratic Force, who, sponsored by the "Heritage Foundation" -- a far-rightist Reaganite organization -- even shed some tears in a "workshop."

In total despair and shameless submission to the Yankees' will, Bermudez said: "If we are not clearly supported by the United States, we cannot win the war." He complemented his defeat with a revealing idea.

"The people will not commit themselves against the Sandinists unless they see a well-armed resistance."

If Bermudez, Calero, Robelo, and Cruz are manipulated on stage to impress representatives and senators with this type of argument, this means that Reagan's governing team regards them as very stupid or that all the officials are really stupid. It takes a stupid person to suppose that nobody could ponder this argument or to believe that others are stupid enough not to wonder about many things.

For instance, if they are not "backed by the United States," they cannot win the war.... Who, then, has been supporting them since they were born as a mercenary force? Is this perhaps the first time that they get U.S. money? Why do they say that they have been defeated after they received $27 million and got a similar amount indirectly? Is it really money that they lack?

Involuntarily, guard Bermudez answered this. They do not enjoy the slightest trust or the slightest support of the Nicaraguan people.

Of course, the Somozist leader of the mercenaries did not say so clearly, but he implied it when he asserted that "the people will not commit themselves against the Sandinists unless they see a well-armed resistance."

This, however, elicits many more questions. When did the people have to see the FSLN's weapons to get involved in the revolutionary struggle against the Somozist dictatorship?

Was the FSLN at any time as well armed as the counterrevolutionaries have been? If it was, was this what spurred the people in the insurrection?

Neither of the two. Neither had the quantity or quality of weapons that the United States has delivered to its mercenaries, nor did the people wait to see the weapons to rush to depose the dictatorship.

Is it necessary, then, to say which reasons led the people to fight almost unarmed? Have they wondered why the people do not do likewise now but, quite the contrary, fight the mercenaries and defeat them?

Reagan, his fascist-like team, and some senators and representatives perhaps are not interested in wondering about this, and it would not be because they are stupid, unless we agree to describe the imperialist phenomenon like this.

The Armed mercenaries, the Higher Council of Private Enterprise, LA PRENSA, and some rightist parties might not want to wonder about this, and it would not be because they are stupid. For many years, the people have been familiar with their stance. They describe it as that of turncoats.

Consequently, none of the enemies of the revolution and Nicaragua could ask himself these questions and then answer himself in honesty. It would be regrettable for them not to do it. But we will not wait to see whether they do it or not. All our work, preparations for defense, and willingness to sacrifice will be the most important guarantee that we will defeat the mercenaries as we have been doing so far, regardless of their masters' decisions.

After all, only a "solution" of compromise among political factions in the U.S. Congress can be expected from the domestic contradictions and struggles in the United States, if stupidity does not prevail. Would this suffice for the mercenaries' actions to stop? Evidently, no. As it already happened in the recent past with the $27 million, any cover will be supplied, or perhaps the very same "humanitarian" label of the past, but the aggression will continue.

Our patriotic will to struggle, the international solidarity of peoples and governments with common sense, and the political willingness to continue seeking negotiation without offensive terms. [sentence as published]. We do not exclude Contadora and its Support Group from this effort, and we do not have to insist why. In order to understand it, suffice it to learn the opinion of Reagan's mercenaries about Contadora. Without having to go too deep, it is the empire's voice.

When guard Bermudez was asked about the peace efforts of the eight Latin American states, he answered: (Contadora) "is a dead man that refuses to die."

Really, Bermudez only described his mercenary organization.

CASTRO CONCLUDES MOSCOW VISIT, ARRIVES IN PYONGYANG

Tours Moscow

FL071552 Havana Radio Reloj Network in Spanish 1502 GMT 7 Mar 86

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, who is in Moscow attending the recently concluded 27th CPSU Congress, toured Moscow today. Castro placed a floral wreath at the new Lenin monument in October Plaza. He contemplated and admired the new monument.

During his tour through the streets of Moscow, Castro visited the Architectural and Planning Directorate, where he received a detailed explanation on the reconstruction of that historic site. While passing through the pedestrian street Arbat in Moscow, Castro spoke with many Soviet citizens, who surrounded him and gave him warm greetings.

Kim Il-song, Crowds Greet Castro

FL081540 Havana Radio Reloj Network in Spanish 1502 GMT 8 Mar 86

[Text] Upon arriving in the DPRK, Cuba's Commander in Chief Fidel Castro received a grandiose and powerful greeting from the Pyongyang population. After the official ceremony at the airport, where Castro embraced Kim Il-song, general secretary of the Workers' Party of Korea, Castro was greeted by thousands of people congregated at the airport.

Shortly afterward at least 1 million people of all ages cheered Cuba's highest leader from Pyongyang streets and avenues. Men, women, and children, waving Cuban and DPRK flags and holding multicolored flowers, shouted "viva!" to Castro and Kim Il-song. They also held signs saying "welcome" and sang hymns and songs. The large welcome grew to huge proportions when the open car in which Castro and Kim Il-song traveled approached the center of the DPRK capital.

In front the 8 February House of Culture, a multitude of women dressed in fine and brightly colored outfits staged a gigantic display and shouted "Cuba, yes! Yankees, no! Viva Fidel! Viva Cuba!"

Constantly surrounded by citizens, the cars of the official caravan arrived in front of hundreds of pioneers, one of whom welcomed Cuba's commander in chief in perfect Spanish.

Armed Forces representatives later joined their voices in greeting Castro. During the entire tour, which took more than 1 hour, the leaders were able to appreciate choreographies, a grand children's band that played the 26 July March, and other pleasant surprises.

Meeting With Kim Il-song

FL081602 Havana Radio Reloj Network in Spanish 1504 GMT 8 Mar 86

[Text] At the official residence where Cuba's Commander in Chief Fidel Castro will stay in Pyongyang, Castro has met with Kim Il-song. The two leaders were accompanied by officials from Cuba and the DPRK. Accompanying the DPRK's highest leader were Kim Chong-il, member of the Political Bureau Presidium and secretary of the Korean Workers Party [KWP] Central Committee, and other high party and state leaders.

Accompanying Castro to Pyongyang were Carlos Rafael Rodriguez and Jorge Risquet, member of the Communist Party of Cuba Politburo; Division General Senen Casas, alternate Politburo member; and Lionel Soto, member of the Secretariat of the Central Committee. The Cubandelegation arrived in the DPRK today after participating inthe 27th CPSU Congress in Moscow.

Castro Speaks at Banquet

FL082020 Havana Radio Reloj Network in Spanish 1902 GMT 8 Mar 86

[Text] Commander in Chief Fidel Castro said today that he is visiting the DPRK to pay tribute to a people who resisted the most barbaric U.S. imperialist aggression and who have for more than 30 years held high the banners of revolution and socialism. Castro spoke during a banquet offered in his honor by DPRK President Kim Il-song.

Everything seems to distance the DPRK from Cuba; we are separated by thousands of kilometers, but we are profoundly close. What unites us is our common dreams and the closeness of the common enemy, the commander in chief stressed. He said that visiting the DPRK and meeting Kim Il-song were firm goals he had established long ago. He then said that he waited for an opportunity to visit during the tense struggle Cuba has experienced for many years.

During his speech Castro said he really had no words to describe the sentiments he felt upon arriving in Pyongyang, where he received a warm and extraordinary welcome from the people. I do not come to receive praise. I come to praise the Korean people and their glorious and combative history, Castro said. He then expressed his admiration and solidarity with that Asian nation.

The heroic efforts of the Korean people are, without a doubt, one of the greatest revolutionary achievements of our era and a permanent source of inspiration for combatants everywhere, Castro said. The commander in chief said that their struggle unites them with the Cuban people, which has made it possible for the two countries to develop cooperation agreements. The just position of the DPRK party, peoples, and government in favor of peaceful reunification of the country and their firm attitude toward imperialistic military maneuvers and provocations have always been assured of Cuba's vigorous and firm solidarity, said Castro. He added: We are living in difficult times, in which it is important to strengthen, as never before, unity in action between all forces struggling for peace and progress of the peoples.

Castro said that the irresponsible policy of confrontation by force practiced by the United States has increased the danger of a devastating war from which the world will never be able to recover. Only the most energetic determination for resistance and the unwavering decision of not submitting to blackmail will be able to frustrate such reactionary intentions, Castro added.

Our era is experiencing the most unpayable economic looting and exploitation of the peoples, especially those of the Third World, Castro said at the banquet in his honor. The chief of the Cuban revolution reiterated that the unpayable foreign debt is associated during our time with dumping, unequal trade, and protectionism that deprives Third World countries of the most elemental hopes. The decisive battle for peace results in the battle of rejecting the overwhelming foreign debt, Castro said. The first secretary of the Communist Party of Cuba stressed the importance of establishing a new international economic order as a way out of the current situation facing developing countries.

The conversations with Kim Il-song will give new strength to friendship, cooperation, and solidarity between the parties, states, and peoples of Cuba and the DPRK, Castro said. The Cuban leader said that when peoples can create ties such as the ones that unite Korea and Cuba, which are geographically so far apart, there is no doubt whatsoever that the victory will belong to socialism.

To conclude, Castro asked permission to repeat the saying: Fatherland or death, we will win!, which has accompanied the Cuban people for so many years. Finally, Castro expressed his wishes for a long life and excellent health for Kim Il-song so that he can continue enriching revolutionary socialist knowledge with his experiences.

Decorates Kim Il-song

FL101918 [Editorial Report] Havana Television Service in Spanish at 1800 GMT on 10 March carries recorded video coverage of Fidel Castro decorating DPRK President Kim Il-song with the Order of Jose Marti. Staff announcer Manolo Ortega explains that Commander in Chief Fidel Castro this afternoon decorated DPRK President Kim Il-song with the National Order of Jose Marti in a simple, solemn ceremony. The camera provides close-ups of the two presidents as Castro pins the decoration on Kim Il-song's jacket and then hugs him.

Coverage of Castro's visit to Pyongyang continues with the announcer's explanation over video that the conversations between Castro and Kim Il-song continued today. Castro and Kim Il-song are shown briefly talking about the climate of Havana. Castro explains that it is winter now and that northern winds can make the temperature drop to 15 degrees, but that the climate "is more benign than here or in the USSR."

The announcer provides information on the People's Studies Palace, the largest installation of its kind in North Korea. Castro is shown arriving at this palace to the chant of "Cuba, si; Yankees no." Once inside the palace, Castro admires the stone columns and asks if they are each made of a single piece of stone; he is assured that each is made of a single block of stone.

The announcer then describes Castro's inspection of books by Cuban authors, including two volumes of his own speeches. Castro flips pages and explains that the photographs are of the Sierra Maestra campaign and that they had little to eat. Picking up the volumes of his speeches, Castro explains that one contains his 1979 speech to the United Nations on the foreign debt, that the foreign debt should be cancelled and has grown since 1979 from $300 billion to more than $1 trillion. Coverage of Castro's activities ends with footage of children singing and dancing.

Conversations Continue

FL101240 Havana Radio Progreso Network in Spanish 1200 GMT 10 Mar 86

[Text] The conversations between Presidents Fidel Castro and Kim Il-song are continuing today in Pyongyang, while other members of the Cuban delegation visit educational centers and sites of historical interest in the DPRK. The Cuban delegation was moved by the display of affection of 800 Korean children from the (Chong Won) kindergarten, in Pyongyang, who also put on a little artistic show for the delegation.

ACLM LEADER SCOFFS AT LIBYAN CONNECTION CLAIM

FL101438 Bridgetown CANA in English 2114 GMT 8 Mar 86

[Text] St Johns, Antigua, March 8 CANA -- Leader of the leftwing Antigua-Caribbean Liberation Movement (ACLM) Tim Hector has scoffed at allegations of clandestine relations with Libya, as suggested in a document circulated by the United States to right and centre-right ruling parties in the Caribbean Community.

Commenting on the issue in his party's weekly newspaper, OUTLET, the ACLM leader accused the government of Prime Minister Vere Bird and the ruling Antigua Labour Party (ALP) newspaper, HERALD, of using alleged ACLM-Libya connections to take the heat off official corruption and incompetence in the twin-island state of Antigua and Barbuda.

Along with Hector's editorial comment, headlined "What Libyan Connection?" OUTLET featured a flashback photograph from its edition of July 23, 1982, in which the ACLM's leader is seen in discussions with Libya's Mu'ammar Al-Qadhdhafi.

According to the report in OUTLET neither Hector nor the ACLM has ever attempted to hide the fact of two visits to Libya paid by Hector, first in July 1982 to attend an International Congress of Third World Countries, and later, in April 1983, to attend a conference involving some 1,500 scholars and thinkers from around the world....

The ACLM was among a dozen opposition political parties in fight Caribbean Community (Caricom) countries linked with alleged Libya-connected subversive activities, according to the 11-page document American documents Libyan activities in Central America and the Caribbean.

BARBADOS

STATISTICAL SERVICE REPORTS TRADE DEFICIT IN 1985

FL101646 Bridgetown CANA in English 2115 GMT 9 Mar 86

[Text] Bridgetown, Barbados, March 9, CANA -- Barbados today reported an overall visible trade deficit of 348 million dollars (one BDS dollar; 50 U.S. cents) for the first nine months of 1985. Figures released by the Barbados Statistical Service also showed a January-September 1985 deficit with the island's Caribbean Community (Caricom) at 19 million dollars. Total imports from Caricom were valued at 136 million dollars and total exports to Caricom at 117 million dollars. The domestic component of total exports was 50 million dollars against the 117 million dollars worth of goods the island bought from its Caricom neighbours the previous year. Domestic exports to Caricom last year declined by 24 million dollars from the 74 mil of January-September 1984. Imports from caricom and other countries were valued at 885 million dollars, representing a decline of 110 million dollars on the January-September figure of 995 million dollars. Domestic exports accounted for 376 million dollars, representing a decline of 81 million dollars when compared with 457 dollars for January to September in 1984.

Machinery, mineral fuels, manufactured goods, and food and live animals were the major imports for the January to September period last year.

The government department said machinery accounted for 284 million dollars, mineral fuels 155 million dollars, manufactured goods 119 million dollars, and food and live animals 109 million dollars.

Exports from Barbados to its main regional trading partner -- Trinidad and Tobago -- declined by 27 million dollars from 49.7 million in 1984 to 22.7 million last year, while Barbados imports rose from 87.5 million dollars to 92.6 million.

Exports to Jamaica dropped from 6.7 million dollars in 1984 to six million dollars last year and imports rose from 16.2 million dollars to 30.9 million.

BAHAMAS

REVENUE TASK FORCE APPOINTED TO MONITOR FUNDS

FL071902 Nassau Domestic Service in English 1800 GMT 7 Mar 86

[Text] In the 1986 communications with parliament, the prime minister and the minister of finance foreshadowed the establishment of a special revenue task force to monitor and investigate the collection of government revenues here in the Bahamas.

A government release says the revenue task force has been appointed and has already commenced operations to carry out its mandate from the prime minister and minister of finance. The appointees to the revenue task force and Financial Secretary Mrs (Catherine E. Isaacs), Permanent Secretary Mr James H. Smith, Secretary for Revenue Mr J. Edison (Delaveaux), Treasurer Mr Garnet (Lowe), Acting Auditor General Mr Franklin [name indistinct], and Assistant Legal Council Miss [name indistinct].

The task force has been advised by Mr (A.C. Ferrari) the International Monetary Fund fiscal advisor to the Ministry of Finance and supported by a specially selected staff of senior public officers from various ministries and departments.

HAITI

SPORADIC STRIKES 'WORRY' NEW GOVERNMENT

PA081300 Paris AFP in Spanish 0017 GMT 8 Mar 86

[By Dominique Levanti]

[Text] Port-au-Prince, 7 Mar (AFP) -- The sporadic strikes that have been adversely affecting the public and private sector in Haiti for several days are beginning to worry the new Haitian Government, which must face a critical economic situation.

Today several hundred employees fromthe Haiti State Telecommunications Company went on strike, consequently disrupting telephone communications with other countries for the first time since President-for-life Jean-Claude Duvalier was overthrown. Domestic communications were also adversely affected because the strike was extended to regional offices in the rest of the country. The employees are demanding a wage increase, improved working conditions, and the dismissal of an unpopular supervisor.

Moreover, the 460 workers from the state company in charge of the distribution of flour in Haiti began their 4th day on strike for higher wages.

Meanwhile, customs workers in Port-au-Prince and at the capital's international airport began their 2d day on strike for the same reasons.

In the private industry sector, several work stoppages for wage increases took place today.

A spokesman for the Association of Haitian Industries (ADIH), one of the major business organizations that once took a stand against Duvalier, told AFP that the Port-au-Prince industrial sector must be protected. That sector, which is made up of some 200 subcontracting firms that are presently providing jobs, is very fragile because of Jamaican, Dominican, and Central American competition, the ADIH spokesman said.

The business organization prefers a reduction in the cost of living to a wage increase, which would cause an increase in prices and would start an inflationary process.

The president of the Haitian Workers Autonomous Labor Union, a Christian Democratic labor union that was banned under Duvalier's dictatorship, told AFP that its organization wished that the National Government Council "would be more concerned about the workers' conditions and demands in order to avoid strikes."

Fortune, who on last Wednesday returned to Haiti after 22 years of exile in Venezuela, said: "We are aware that the country was destroyed by the dictatorship." "We want to talk with everyone, with the government as well as with the employers," he added.

Meanwhile, the government expressed its concern over the "untimely strikes" which will cause "a decline in production, a massive loss of jobs, and the flight of capital to the detriment of the national economy." The government asked the workers to use the legal means of conciliation and emphasized "the need to return to tranquillity and to functioning enterprises."

Bus drivers from the southern part of the capital announced a strike for next Monday if the price of fuel is not lowered. Observers believe that this strike is an important test of the social and economic credibility of the new government, which until now has refused to use force against the strikers.

JAMAICA

REPORTAGE ON DOCTORS' STRIKE, STUDENT PROTESTS

Seaga Addresses Nation

FL110118 Bridgetown CANA in English 2039 GMT 10 Mar 86

[Text] Kingston, Jamaica, March 10, CANA -- Prime Minister Edward Seaga, under pressure on the industrial front, urged junior doctors and students last night to end their protest action. Seaga hinted that the doctors, now on a work-to-rule protesting a pay award by the Industrial Disputes Tribunal (IDT), might be called before the courts for breaking the essential services law. He said in a radio and television address that Jamaican students at the University of the West Indies (UWI) and the College of Arts Science and Technology (CAST), angry over the reintroduction of tuition fees, should return to classes.

The doctors ban of shift work followed a 24-hour strike Friday, has seriously affected hospitals and health centers. The industrial action was sparked by the decision of the IDT to reduce a salary award.

Seaga, whose administration was blamed for the change, called for the resignations of two members of the IDT panel who caused the embarassment, so that confidence in the tribunal could be restored. Government lawyers were before a judge today seeking an injunction restraining the doctors, under a recent amendment to the labour laws, from continuing their industrial action.

Seaga charged that some protesting students were acting out of political motives and selfishness. His remarks further angered students and gates at the UWI and cast campuses were blocked, leading to another day of class boycotts which have been on-and-off since the new policy was announced last month.

The junior doctors issue flared up last week when the same two members of the tribunal -- the government-appointed Chairman Len Tomlinson, and employer's representative Chester Burgess -- who had in January handed down a majority decision giving the doctors a 12.5 per cent increase in each year of two-year contract reversed themselves on the governments demand for a clarification. They took 2.5 per cent off the second year amount.

The workers representative on the panel, Jenifer Muirhead, had refused to sign the original award and the later clarification, both of which fell far short of the doctors demands. The government had gone back to the tribunal on the basis that it had made an award higher than the administration had recommended but yet had said it could not do so in the national interest. The IDT report said that an error had been made.

Seaga said in his radio and television broadcast that the two IDT members in their conduct had embarassed everyone. He was sure that they agreed that their continued membership of the IDT would continue to embarass and contribute to the delay in a restoration of full confidence in the tribunal. He also called on five major trade unions who said they would boycott the tribunal to reconsider their position, reminding that the law now made it possible for the IDT to hear matters with one party to the dispute absent. The sixth big union, the government-aligned Bustmante Industrial Trade Union (BITU) has not joined the boycott. Seaga reminded that the medical services were classified an essential service in which any industrial action, whether by strike, stoppage or work-to-rule is illegal. The junior doctors ought to think carefully of their options and consequences of whichever course they choose to take, Seaga said. He noted that they would do or continue the industrial action which is illegal.

It cannot be right for the junior doctors to be attempting to intimidate the court and hold the nation health services to ransom while other options remain open, Seaga declared. He said that loss of life and human suffering could result from their actions.

Seaga told the students at the UWI and CAST, who will have to pay between four and 30 per cent of their tuition cost, that the country could not longer afford free education. The payment will amount to between 1900 and 1600 dollars a year, plus the cost of books, living expenses, and other incidentals that students now meet. But the government has said that enough loans will be provided for students, once they have the qualifications to get higher education.

Seaga said the boycotts of classes at the UWI and CAST and the closing down of the institutions were being instigated by some to foment the kind of instability which could so damage the country's image that it prejudices the performance of tourism this year. This is not self interest; this is selfishness.

He urged a return to classes, warning that any other course would lead to the withdrawal of his recent offer at a meeting with students to set up a task force to recommend ways of alleviating hardships faced by many students as well as working out the softest payback terms for the education loans.

Opposition Peoples National Party (PNP) leader Michael Manley, who abolished fee-paying education in 1973, last night told a huge rally that he would reverse Seaga's decision if he regained power.

Police Disperse Students

FL102126 Bridgetown CANA in English 2111 GMT 10 Mar 86

[Text] Kingston, Jamaica, March 10, CANA -- Police today used teargas and batons and fired shots in the air to disperse about 200 Jamaican students protesting the re-introduction of fee-paying education, eyewitnesses said.

The students from the University of the West Indies and the College of Arts Science and Technology (CAST) had blocked a road outside CAST, They said. At least two youths were slightly injured and a dozen others detained. Those detained were being held in a police van at the site, including the President of the Guild of Undergraduates at the Mona Campus of the University of the West Indies Lawrence Jackson.

The students, angry that government plans to charge tuition fees for both institutions from the start of the next academic year, have been sporadically boycotting lectures for the past few weeks. No boycotts were planned for today, but students decided to block gates at both institutions after a radio and television speech last night by Prime Minister Edward Seaga.

Seaga said some students were using the issue for political motives, hoping to disrupt tourism, key industry. Eyewitnesses said students had converged outside the CAST gates and later put debris in the road, snarling traffic. They also sat in the road chanting civil rights songs. Police initially threw mace into the crowd but these were thrown back.

Reinforcements from the crack mobile reserve unit later arrived, fired teargas and shots into the air then waded into the crowd scattering protesters and passers-by. The roads were cleared but not the gates at CAST, the witnesses said. The police also fired teargas into the CAST compound.

PRIME MINISTER ANNOUNCES FUEL SHORTAGE MEASURES

FL072154 Bridgetown CANA in English 2142 GMT 7 Mar 86

[Excerpts] Georgetown, Guyana, March 7, CANA -- Guyana has publicly acknowledged that an acute fuel shortage gripping the country stems from the countrys inability to pay Trinidad and Tobago in hard currency for the usual quantity of supplies.

The unavailability of adequate foreign exchange was the fundamental problem, Prime Minister Hamilton Green said in a statement to the National Assembly (parliament), broadcast on radio here.

Green's statement included measures to ease the inconvenience facing motorists and householders and ensure better distribution, as long queues of people were evident at petrol stations awaiting supplies.

He announced a lifting of restrictions on the opening hours of gas stations and gave dealers the flexibility to determine their business hours taking into consideration the energy management programme of the state-owned electricity company and the availability of fuel.

He said oil companies would co-operate among themselves and with gas station dealers to ensure an even distribution of available supplies to gas stations. Green also announced a ban on the sale of gasolene in containers until further notice.

Green's statement followed a meeting with representatives of oil companies, petrol dealers, the trades union congress, officials of the private sector, and other organisations to discuss the fuel shortage.

Meanwhile, the opposition Peoples Progressive Party has called on the government to look to other countries, including the Soviet Union and Venezuela, to supply Guyana's fuel needs.

Parliamentarian Clinton Collymore said Guyana was being treated worse than second class cousins, and asked why are we always making sacrifices for Caricom?

PURCHASE OF USSR, VENEZUELAN FUEL REJECTED

FL101640 Bridgetown CANA in English 1841 GMT 8 Mar 86

[Text] Georgetown, Guyana, March 8, CANA -- The Guyana Government has rejected an opposition suggestion that it purchase fuel supplies from the Soviet Union or Venezuela instead of Trinidad and Tobago.

Clinton Collymore, a People's Progressive Party (PPP) parliamentarian, made the suggestion amid concern here this week about a fuel crisis, stemming from the government's inability to pay Trinidad and Tobago in hard currency for the required amount of supplies.

A spokesman in the office of President Desmond Hoyte said Guyana was committed to the Caribbean Community (Caricom) and to stimulating trade within the region. Both Guyana and Trinidad are Caricom members. We honour Caricom with more than lip service, the spokesman said.

FBIS
DAILY REPORT
Latin America
Vol VI No 048
12 March 1986

CONTENTS

INTER-AMERICAN AFFAIRS

C.A. Presidents Call for Regional Meeting [NOTIMEX] A 1
IAPA Issues Declaration After Brazil Conference [EFE] A 1

ARGENTINA

Sourrouille on Group of 24's Conclusions B 1
    Group Issues Document B 2
Congress Refuses To Back Government Debt Policy [BUENOS AIRES HERALD 7 Mar] B 4
CGT Calls General Strike for 25 March [BUENOS AIRES HERALD 8 Mar] B 4
    Troccoli Responds B 5

BOLIVIA

Foreign Minister Returns From Argentina C 1
Floods Cause Losses Totaling $60 Million C 1

BRAZIL

Modification to Economic Decree-Law Announced [O GLOBO 4 Mar] D 1
Brizola Criticizes Government Economic Plan [O GLOBO 7 Mar] D 2
Paper Discusses Progress on Atomic Bomb Project [FOLHA DE SAO PAULO 2 Mar] D 2

CHILE

Carabineros Break Up Women's Demonstration E 1
    Rallies Planned 20 March E 1
Government Renews State of Domestic Threat E 2
Del Valle on Volio Report, Palme Funeral E 2
    Opposition Lauds Volio Report E 3
Former Minister Warns U.S. Against 'Meddling' E 3
New OAS Envoy Comments on Bolivian Sea Access E 3

COLOMBIA

Barco Proclaims Victory for Liberal Party F 1
Betancur Opposition to U.S. Aid to Contras Noted F 1
    Prompts U.S. Reaction F 1

ECUADOR

- Vargas-Government Confrontation Concludes G 1
  - Pineiros' Statement G 1
  - Manabi Sectors Threaten Strike G 2
  - Agreement Announced G 2
  - Pineiro Resigns G 3
  - 1st Vargas Statement G 3
  - 2d Vargas Statement G 4
  - Febres Cordero's Statement G 4
- Congressmen Disagree on Closing Special Sessions G 5
- Trans-Ecuadoran Oil Pipeline Nationalized G 6

PERU

- Support Reaffirmed for New Monetary Fund J 1
- Commentator Criticizes Garcia-Borge Meeting [EXPRESO 1 Mar] J 2
- 5 PIP Officers Dismissed After Zarate Case Probe J 3

MEXICO

- Cuban Vice Minister on Foreign Debt, Radio Marti M 1
- Soviet Envoy Condemns U.S. Support of Contras M 1
- U.S. Envoy Gavin Accused of Interference [EL DIA 8 Mar] M 2
- Japanese Envoy Says Investments To Continue M 2
- Valero Travels to San Jose for Contadora Talks M 3
- Argentine Ambassador Discusses L.A. Foreign Debt M 3
- Finance Secretariat on Foreign Debt Talks M 3
- Pemex Hydrocarbon Reserves Exceed 71.75 Billion M 4
- Correction to De la Madrid Speech on Economy M 4
- Briefs: Trade Balance Surplus Drops M 4

PANAMA

- Labor Ministry Declares General Strike 'Illegal' [CRITICA 11 Mar] N 1
  - Minister Lee, PRD Head Comment N 1
  - Situation Reported Calm N 2
- Briefs: Foreign Policy Director; Ambassadors Present Credentials N 2

CENTRAL AMERICA

COSTA RICA

- Monge Denies U.S. Engineers Preparing Invasion P 1
- Arias' Regional Tour Excludes Nicaragua P 1

EL SALVADOR

- FMLN-FDR To Delay Meeting With Rivera y Damas P 2
- Rebels Denounce Recent Chalatenango Bombings [Venceremos] P 3
- Briefs: Trade Agreement With Venezuela P 3

GUATEMALA

- Mexican Legislative Mission Arrives for Talks P 4

HONDURAS

- Lopez: Territory Not Authorized for Foreign Use P 4

NICARAGUA

- Delegation Approves Protest Document Against U.S. P 6
- Washington Embassy Notes Habib Appointment P 6
- Priests' Role in U.S. Campaign Viewed P 7
- Vega's U.S. Visit To Affect Church's Credibility [BARRICADA 7 Mar] P 8
    - Accused of Slander, Libel P 9
- Bayardo Arce Meets With Jaruzelski in Moscow P 10
    - Returns From USSR P 10
- Monge Calls Border Commission Sovereign Decision P 10
- Search of Diplomats' Luggage Protested P 11
- Communique Announces Daniel Ortega's Return P 11
- Chief of Cuban Military Advisers Ochoa Departs P 11
- Cuban Joint Commission Opens Session in Managua P 12
    - Ruiz Notes Cuban Support P 12
    - Foresees 'Economic Tension' P 12
- New Staple Prices, Salaries Declared Effective P 13
- Parliamentarian on 3-7 April Meeting in Guatemala P 14
- COSEP Leaders Request Defense From 'Free Countries' P 15

CUBA

- Castro Supports Korean Peninsula Reunification Q 1
    - Criticizes South Korea Q 1
    - Castro, Delegation Depart Q 1
    - Arrive in Moscow Q 2
    - Korean Reportage [cross-reference] Q 3
- Chief Military Adviser in Nicaragua Replaced [NOTIMEX] Q 3
- CEMA Communications Meeting Held in Havana Q 3
- Raul Castro Meets With Hungarian Minister Q 4
    - Varkonyi Departs Q 4
- Soviet Trade Union Arrives for Visit Q 4

SURINAME

- Henk Herrenberg Appointed Foreign Minister U 1
- Fisheries Agreement With Venezuela Signed U 1
- South Korea To Provide $3-Million Credit U 1
- Prime Minister Signs IDB Loan for Education U 1

OTHER COUNTRIES

DOMINICAN REPUBLIC

Panama's Esquivel Raps U.S. Contadora Stand V 1

GUYANA

National Assembly Approves 1986 Budget V 1
Opposition Party Critical V 1

C.A. PRESIDENTS CALL FOR REGIONAL MEETING

FL110414 Mexico City NOTIMEX in Spanish 2330 GMT 8 Mar 86

[Text] San Jose, 8 Mar (NOTIMEX) -- At least three different calls for a meeting of Central American presidents have been issued in the last few days, with two calls by Costa Rica for Nicaragua to be excluded and one by Guatemala for a meeting without exclusions. While Guatemala's Vice Minister of Foreign Relations Juan Francisco Villagran reiterated that Guatemalan President Vinicio Cerezo had called for a regional summit meeting without exclusions, Costa Rican Minister of Foreign Relations Carlos Jose Gutierrez reiterated his country's initiative, which excludes Nicaraguan President Daniel Ortega. Gutierrez explained that, socially, at least two conferences of Central American presidents have been called for, but no precise dates have been specified. He said that the meeting proposed by the Guatemalan Government is to debate political matters, with the participation of the presidents of Costa Rica, Luis Alberto Monge; Nicaragua, Daniel Ortega; El Salvador, Jose Napoleon Duarte; Honduras, Jose Azcona; and Guatemalan host Vinicio Cerezo.

He stressed the fact that Monge had sent another invitation that excludes Nicaragua and includes only the presidents of Honduras, El Salvador, and Guatemala. Monge's invitation calls for work to begin on restructuring the Central American common market, with Nicaragua excluded from participating. Referring to the initiatives by Monge and Cerezo, Foreign Relations Minister Gutierrez said: They are distinct, separate proposals and cannot be confused because they have different objectives, characteristics, and antecedents.

At the same time, the Guatemalan vice foreign minister reported that one of the countries in the area had objected to Nicaraguan participation in the meeting proposed by Cerezo, which would be held in the city of Esquipulas. He said that next Tuesday Guatemalan Vice President Roberto Carpio Nicolle will vist the capitals of Honduras, Nicaragua, and Costa Rica to reiterate the invitation to attend the Esquipulas meeting.

IAPA ISSUES DECLARATION AFTER BRAZIL CONFERENCE

PY080140 Madrid EFE in Spanish 2122 GMT 6 Mar 86

[Text] Salvador, Brazil, 6 Mar (EFE) -- The expansion of democracy in the Americas has resulted in a much freer press in the hemisphere, but there are still some constitutional governments that exert pressure on the media. This is the main conclusion of the annual IAPA conference that has been meeting here from 3 March until today. In its conference in Salvador, the IAPA evaluated freedom of the press in the continent. The meeting was attended by 300 delegates, owners, directors, and editors of the main newspapers of the region.

The final IAPA declaration states that with the end of the dictatorship of Jean-Claude Duvalier in Haiti, there are only four totalitarian governments left in Latin America: Cuba and Nicaragua, which are leftist; and Chile and Paraguay, which are rightist. The IAPA has decided to send an investigating commission to Haiti as soon as possible and urged the new Haitian Government to guarantee freedom of the press. It also expressed concern over the attack against the house of journalists Sergio and Sandra Beaulieu, who are correspondents of several international news agencies in Port-au-Prince. One man was killed and two others injured in the attack. But the IAPA recognized that because of the confusion surrounding the case an investigation must be carried out.

During the negotiations, the return of democracy to Latin American countries was noted in the reports of the commission on freedom of the press. The report notes that there are still important restrictions and threats to freedom of thought, expression, and the press in some democracies but it adds that the direct control that is exercised against these rights can be seen only in Cuba, Nicaragua, Chile, Paraguay, Guyana, and Suriname.

The final declaration notes that two positive events have marked Latin American political life in the last few months: the end of the Duvalier dictatorship in Haiti and the consequent opening of newspapers LE MATIN and LE NOUVELLISTE, which had been closed down, and the closure of the government newspaper LE NOUVEAU MONDE. It adds that novelty in the Haitian press was its criticism of the old Duvalier regime and its tolerance of the new government.

Another positive event noted by IAPA is the decision of the Inter-American Human Rights Court, which states that to demand the registration of journalists in professional associations is a violation to Article No 13 of the Inter-American Human Rights Convention, which refers to the freedom of thought and speech. The court issued a ruling at the request of the Costa Rican Government, which specifically refers to the Costa Rican professional journalists association. However, in addition to Costa Rica, other nations have their own laws regarding the registration of journalists in professional associations to allow them to work. These include Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Panama, Peru, and Venezuela.

The declaration also notes that IAPA will question the Inter-American Human Rights Court ruling on the right to rebuttal. IAPA qualified as a threat the Mexican Government's decision to expropriate the Satellite Broadcasting and Reception System, which was owned by private newspapers, saying that this decision restricts even further the use of satellite technology by the Mexican media.

It adds that newspapers of the Americas are also confronting another threat, the control of advertising. Reports note that for example in the Dominican Republic, 60 or 70 percent of advertisements are from the public sector. It notes that frequently government advertising is used to punish newspapers, not only in the Dominican Republic but also in Ecuador and El Salvador.

Another problem is that of newsprint, because some governments have increased prices, as in Mexico, where authorities have assumed complete control of newsprint distribution through the official news agency, Paper Importer and Producer, Inc.

The final report notes that one of the Latin American newspapers that suffer most from these problems is Managua's LA PRENSA newspaper. It charges that its editorial pages are frequently censored, adding that 10 editions did not circulate in 1985 and that its size has been reduced in keeping with a Sandinist government decision. The present LA PRENSA newspaper editors informed the IAPA assembly that Nicaraguan President Daniel Ortega has implemented salary increases for government newspaper workers and a freeze on prices of its newspaper editions to create economic problems for opposition newspapers. Moreover, IAPA decided to request the Nicaraguan Government to lift censorship and authorize the free operation of the Catholic radio and allow the reopening of the newspaper IGLESIA.

Regarding Cuba, IAPA categorically repudiates the lack of an independent press for the past 26 years. IAPA condemns the government of Fidel Castro for censoring the press and demands the release of journalists Luis Rodriguez Rodriguez and Guillermo Rivas Porta, one of whom has been under arrest in Cuba for 25 years.

The IAPA notes that, as in Nicaragua and Cuba, there is no freedom of the press in Paraguay and Chile. The IAPA declaration states that in Asuncion the newspaper ABC COLOR is still closed and that its editor Aldo Zucolillo is being constantly harassed by the government of President Alfredo Stroessner. IAPA will also demand the reopening of newspaper ABC COLOR, an end the threats against the media in general, particularly against Radio Nanduti, and requests the newspapers of the Americas to include editorials in their editions of 22 March in defense of the freedom of speech of the Paraguayan people.

The declaration adds that in Chile some journalists have been jailed and that restrictive laws that impede the circulation of new publications without the previous authorization of government authorities are still in force. The IAPA board decided to recommend that its president reiterate to the Chilean Government the concern of the press of the Americas over the announcement that new restrictive laws against the activity of the press will be issued and over the prevalence of those laws demanding previous authorization for new publication, which has impeded publication of the newspaper LA EPOCA. It also protests the arrest of journalists while exercising their duties.

Moreover, it adds that in Panama the press is still being pressured by the government. In keeping with a request submitted by Mexico, the declaration particularly notes the "suspicious" death at the beginning of 1986 of newspaper editor and writer Carlos Loret de Mola, who died in a mysterious car accident.

The IAPA urges all governments in those countries where measures restricting press activities are enforced to repeal them in defense of the principles of freedom of thought and speech, both of which are included in the human rights convention.

SOURROUILLE ON GROUP OF 24'S CONCLUSIONS

PY072222 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0115 GMT 7 Mar 86

[Text] Buenos Aires, 6 Mar (NA) -- Finance Minister Juan Sourrouille tonight said that the Group of 24 "is not a club of debtors engaged in strengthening its capacity for joint negotiations, but a forum where some ideas are debated that might help create new mechanisms in international financial relations." Sourrouille tonight held a press conference at the end of the meeting of the 24, during which President Raul Alfonsin spoke. The meeting was held at the General San Martin Cultural Center.

"No, I frankly do not think so," Sourrouille answered when asked about the possibility that the 24 might act as a debtor's club, asserting that this idea is rejected by the governments although it is favored by other circles. Sourrouille reported the conclusions of the meeting and gave in advance some aspects of the final document to be released by the ministers.

The minister pointed out that this was the first meeting of the group to be held independently of the assemblies or mid-year meetings of the International Bank for Reconstruction and Development [IBRD] and the IMF. He said this meeting had been held after an Argentine invitation to discuss the foreign debt of the developing countries, the transfer of funds to those countries, and the improvement of the international monetary system.

Sourrouille added that there are two trends: one supported by the "10" (highly developed countries), and the other supported by the 24 (developing countries). The theory of the "10" is that growth can be achieved within a framework of relative stability under the current circumstances, while the 24 deem the situation to be unpredictable and chaotic.

Both theories, which were presented and discussed in Seoul in October 1985, were incorporated into next April's agenda with emphasis placed on the fact that the fundamental disagreement deals with the foreign debt and the transfer of capital. Sourrouille said that the document prepared at the meeting diagnoses the situation, includes some proposals, comments on the Baker Plan, defines the role of the IMF, and weighs the performance of the IBRD.

The foreign debt has a negative influence on the balance of payments, and the main difficulties for the developing countries are high international interest rates, decreases in the price of raw material, and protectionism by the highly developed countries. Sourrouille remarked that the document says that there is an "uneven" adjustment which gives rise to a larger transfer of funds from the developing countries to the developed countries, and that it presents the idea of a "positive adjustment."

He said that development should be shared by all countries of the world, and that in dealing with the debt the responsibilities of debtors and creditors should be established through direct talks, because the free financial market does not offer solutions.

The document suggests the idea of establishing different interest rates for previously existing debts and debts to be contracted in the future. Sourrouille added that the decrease in international prices has manifestly worsened the situation in the developing countries.

Group Issues Document

PY112125 Buenos Aires DYN in Spanish 1755 GMT 7 Mar 86

[Quotation marks as received]

[Text] Buenos Aires, 7 Mar (DYN) -- In its final document the Group of 24's intergovernmental provisional committee for reform of the international monetary system states that the approach that is being used to discuss the foreign debt issue "is based on an erroneous diagnosis that has failed in its efforts to seek a stable and lasting solution to the problem."

At the end of the meeting that was held from 4 to 6 March at the General San Martin Cultural Center [in Buenos Aires], the ministers "noted that an approach based on the implementation of a short-term adjustment policy is not compatible with the achievement of an economic balance in the long run and that it does not take sufficiently into account the structural problems that developing countries are confronting."

The extensive 11-page document notes that "an atmosphere of permanent uncertainty has been created because the entire renegotiation of the foreign debt is being conducted from an accounting perspective, and because short-term solutions have resulted in the neglect of efforts aimed at seeking a solution to the problem in the long-term." The ministers noted that "this uncertainty has had a negative effect on economic, social and political chances of developing countries."

The document, the general guidelines of which were disclosed yesterday by Argentine Economy Minister Juan Sourrouille during a press conference, was issued this morning by the Finance Ministry Press Office. The document adds that "The ministers noted that in spite of the process to restructure the foreign debt, developing countries continue to face serious problems in obtaining resources because of the demands imposed by the servicing of the debt." In this regard they noted that "therefore, there will be a limit on fund transfers for development programs aimed at achieving a relative growth."

The first point of the final document states that "the payments on the servicing of the foreign debt should not represent an excessive proportion of the income derived from exports since this would seriously affect the standard of living of the most vulnerable groups and could even threaten the social and political stability of each individual country."

The ministers "point out that because of the deterioration in trade relations the traditional economic adjustment programs have made debtor countries adapt to a new situation of relative prices in international markets that are incompatible with the goal of achieving an economic balance in the long run." They add that the highly unstable nature of international markets may even render the best adjustment measures insufficient.

They believe that "the traditional conditionality and that which is demanded to achieve structural changes must be consistent with the political and economic objectives and the prevailing conditions of each country." They add that "the conditionality imposed by the IMF must take into account the requirements to achieve a growth in production and employment and it must respect the capacity of the different countries to implement and carry out its economic adjustment plans."

The ministers who were representing their repective countries noted that "several studies, including those conducted by the IMF itself, have noted that developing countries have implemented severe economic adjustment measures, but that nevertheless the adjustment process continues to be irregular and inequitable because industrial countries are not making parallel efforts to adopt and implement in a coordinate manner proper economic policies aimed at eliminating trade restrictions and export subsidies, or to decrease those fiscal differences that cause high real interest rates."

After noting that "the index of the prices of primary products has sunk to the lowest levels since the World Bank began to make these estimates," the document expresses the concern of the Group of 24 for "the continuous decrease in the real and nominal price of oil."

The text states that "the solution to the foreign debt problem requires flexible regulations." In the document the ministers express their "concern over the fact that central bank authorities from industrial countries have recently introduced regulatory measures that decrease the flexibility that is needed to seek solutions to the foreign debt problem."

In reference to the Baker Plan, the document states that the ministers of the Group of 24 found that it contains "some positive elements," such as the fact that there can be no "lasting solution to the problem of the foreign debt unless economic growth is achieved." It also notes "the high level of interdependence in the international economy." However the ministers also felt that the Baker Plan "should be adapted to the needs of each country, even to the extent of providing resources necessary to halt the fall in the price of oil products and raw materials, as well as the real resources that are necessary to achieve economic growth." They reasserted that the IMF "must seriously consider making available resources to deal with balance of payments problems in the medium term, and to promote the use of the IMF's extended facilities."

The document adds that "there is an urgent need to create within the IMF a new financial service with additional resources (or to expand the compensatory financial service) to ease the burden of the servicing of the foreign debt, which is caused by an increase in real interest rates which surpass previous normal levels."

Regarding transfer of resources, the document notes the "concern" of the ministers "because the official assistance for development (AOD) tends to decrease while low-income countries are trying to overcome the problem of poverty and achieve development. The noted the need to considerably increase fund transfers under concessionary terms to these countries." The document notes that the main objective of the IBRD "is to promote development and to eradicate poverty in keeping with its charter."

The ministers also expressed their "concern for the excessive emphasis that is granted within the macroeconomic policy of creditor countries to new financial services for rapid disbursements." In this regard the ministers "warned about the further conditioning of the IBRD's volume of assistance or its conditioning to the IMF."

Finally the document states that the ministers noted that the role that the IBRD must play in the distribution of resources must be based on an annual loans growth rate not lower than 6.2 percent in real terms. This will make it possible to maintain the net transfer of resourse from deptor to creditor countries at reasonable levels." The document adds: "It is within this context that the ministers urged that the minimum level of loans be $21.5 billion by the fiscal year 1990 so that the IBRD may adequately play its role as a development institution."

CONGRESS REFUSES TO BACK GOVERNMENT DEBT POLICY

PY071957 Buenos Aires BUENOS AIRES HERALD in English 7 Mar 86 p 1

[Text] (NA) -- A bid by the government for full congressional backing of its foreign debt negotiations stalled last night when the Justicialist opposition in the Chamber of Deputies called for a suspension of debt payments, a move which in turn was rejected by the Radicals in a night of bitter debate. Both the Radical motion backing the executive's negotiations on the foreign debt and the Peronist move required two thirds of the chamber vote to enable a formal debade on the issue. But neither side would back the other's resolution.

Earlier last night, Democratic Civic Union deputy Alvaro Alsogaray charged that the rights of legislators "to settle the internal and external debt," granted under Article 67 of the Constitution, had been violated "because up to now parliament has not intervened on the debt issue -- it has done nothing." Alsogaray said the Radical move for full backing in Congress was out of place because "it makes no sense for the chamber to await the success or failure of negotiations, it must take part at some stage in those negotiations because the executive has taken upon itself to carry them out alone and has ignored Congress." Alsogaray's protest won support from the entire opposition.

Intransigent Oscar Alende said the word settle as used in the Constitution meant to "put in order, to take action, and this is what parliament has not done on the foreign debt issue." The Peronist proposal put forth by deputies Jose Manzano and Diego Guelar was to suspend payments for a period of 180 days and to have the government's letter of intent to the IMF sent to Congress for discussion.

CGT CALLS 12-HOUR GENERAL STRIKE FOR 25 MARCH

PY081805 Buenos Aires BUENOS AIRES HERALD in English 8 Mar 86 p 1

[Text] Corrientes (NA-DYN) -- At a stormy conference, the General Confederation of Labour (CGT) announced a 12-hour general strike on March 25 and warned it would hold another, 36-hour stoppage if the government does not meets its demands. A mass demonstration will be held on the first strike day on 9 de Julio Avenue downtown, and not in front of the Labour Ministry as was expected, plus demonstrations in other major cities. The tentative dates for the second, threatened strike are April 18 and 19.

The CGT coupled the strike call with one of its most scathing attacks on the government yet, saying the government seeks the "absolute subordination (of the unions) to its plans." Talking about Economy Minister Juan Sourrouille, and President Raul Alfonsin, and Labour Minister Hugo Barrionuevo -- without mentioning any of them by name -- the CGT said "the economic bureaucrat blew to pieces the politician's promises and left the social area's negotiators looking ridiculous." In the statement, the CGT repeated its demands for immediate wage increases, collective wage bargaining talks, and an "energetic play to generate jobs."

Despite the CGT's show of teeth, sources said that divisions ran deep between the national directive council and union bosses from the interior over how far to take strike action. Regional leaders support an immediate 36-hour strike while the Buenos Aires-based directive council supports the 12-hour stoppage. Differences came to a head at a tumultuous meeting between Ubaldini and interior leaders, lead by Cordoba CGT secretary general Miguel Correa, at Ubaldini's room at the Guarani Hotel.

Correa and his allies reportedly threatened to walk out of the conference and roughed up men tied to Ubaldini, insisting that calling only a 12-hour strike was tantamount to accepting the "truce" called by Barrionuevo. Correa said earlier that if anything short of a 36-hour strike were stage, "we will pass into history as a bunch of wimps."

The dual strike announcement was seen as a compromise between the two factions engineered by Ubaldini, though his allies in the directive council were not pleased with the arrangement. One of them told DIARIOS Y NOTICIAS that Ubaldini gave in to provincial labour leaders "of doubtful representativity". Corrientes Governor Jose Romero Feris was later booed and hissed when he told delegates in a speech that "we must not be tempted by those who believe that democracy is defended by antidemocratic proposals" and reminded them that the government was "popularly elected in 1983 and ratified in 1985 by a broad majority of the people of Corrientes." Ubaldini later said that the strike might be lifted if the government meets CGT wage demands, but chances of that looked near nil as Sourrouille told the Argentine Industrial Union that there will be no wage increases because "the Austral Plan is immovable."

Troccoli Responds

PY101704 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0011 GMT 10 Mar 86

[Text] Tres Arroyos, 9 Mar (DYN) -- In the first official response to the General Confederation of Labor [CGT] - sponsored stoppage, Interior Minister Antonio Troccoli warned here today that the government "will remain calm." He summarized the mission of the national authorities by noting the need to act "objectively" to prevent salary claims from becoming "confrontation points."

Troccoli, who presided over the 17th Buenos Aires Wheat Festival closing ceremony in Tres Arroyos, Buenos Aires Province, admitted that the claims advocated by the CGT "were made for legitimate interests," but he also said that those interests "are ultimately sectorial."

"Argentina is not in a position to use outdated methods, and it needs everyone's imagination, effort, and solidarity," the minister stated during a long talk with local journalists. Asked about the government's stand on the attitude just adopted by the CGT, the interior minister warned that "the government will not lose its calmness nor the position it must occupy because the government, which is in the spotlight, has the power to make decisions, and, therefore, must maintain a necessary objectivity." In addition, the interior minister insisted that the executive branch "is willing to maintain the purchasing power of wages."

He then stated that "we must be very careful that these confrontations championing legitimate but ultimately sectorial interests, do not wind up creating disagreements and renewed confrontation." In this regard, Troccoli recalled that in the past "we have witnessed how the heavy atmosphere generated by struggle and confrontation wind up debilitating the institutional system and creating forces for the anti-institutional system to operate much more strongly."

Troccoli then emphasized that "the government calls upon all sectors to reflect, lower the decibel level, and understand that the crisis is not new. We all knew this crisis was coming because when the constitutional government was installed we were aware of the diagnosis revealing the strength and the extent of this crisis."

Therefore, we must overcome this transition period, which is very difficult, but which will ultimately permit us to achieve a better future to the extent that through solidarity, understanding and tolerance, all Argentines are able to remove the inside and outside factors generating the present difficulties. Elsewhere in his statements, the minister recalled that the government "has repeatedly called for talks." He stated that he expects the "tolerance" of all the sectors involved in socioeconomic activities to favor an end of "a confrontational policy, which is harmful and does not favor all the workers' interests." Asked about the statements UCR Deputy Cesar Jaroslavsky recently made that the government ought to try "to gain the sympathy of public opinion," Troccoli, after a brief pause, responded that "we will continue being cautious," adding that "we will continue treading the chosen road and the program of repair and national reconstruction."

In this regard, the interior minister tended to believe that the government will have to implement "a teaching policy" with the goal of neutralizing the effect of "distortions reaching the people, confusing them, and ultimately making them believe that with slogans or forceful attitudes problems may be overcome."

On the other hand, Troccoli denied that "the government will start negotiations with the CGT this week," seeking to halt the CGT-sponsored stoppage, and again praised the performance of the national authorities. [Words indistinct] and explained the trade union leaders that we are drawing up in detail an all-inclusive proposal and a socioeconomic policy," he explained. Asked whether the economic policy is to blame for the CGT decision made during the plenum in Corrientes, Troccoli ruled out such a possibility. "We did not cause this severance. On the contrary, these forceful actions are a setback in the institutional relationship we must keep." Troccoli added. The interior minister rejected any type of "demand which, ultimately, cannot be accepted." Concerning these demands, he stated that they do not conform "to the appropriate way of maintaining the seriousness of our relationship."

Concerning recent reports on contacts between the government and the CGT to halt the stoppage, Troccoli flatly denied them, and his denial was especially aimed at a report stating that he held telephone conversations with Delfor Gimenez, a leader of the 62 Organizations. Referring to the salary situation concerning the [word indistinct] claim, the minister stated that "the government is willing to maintain the purchasing power of salaries, preventing them from being harmed and keeping real salaries from deteriorating. Therefore, the salary policy must be hinged on this official presupposition, and this is the starting point for drawing up a noninflationary policy."

Troccoli emphasized that "we believe we are all actually interested in wage readjustments or modifications in nominal wages as long as they are matched with price stability." After terming the relationship between the government and the political parties "good", Troccoli stated that investigations will be stepped up concerning an attack against the offices of the Catholic University of La Plata in Buenos Aires. He denied that he held meetings with Catholic University of La Plata Rector Nicolas Argentato. In this regard, Troccoli warned that "the origin of these actions is extreme positions." He emphasized that "they are not the style or the conduct of those who are included in the democratic political spectrum of the country." "We have made an attempt to prevent many of these actions. We have eliminated and broken up many groups but there are always some remnants," Troccoli concluded.

FOREIGN MINISTER RETURNS FROM ARGENTINA

PY072315 La Paz Cadena Panamericana in Spanish 1700 GMT 7 Mar 86

[Excerpts] A medium-term program in the energy field featuring convenient prices for Argentina and Bolivia has been drawn up by the delegations of these two countries at a recent meeting in Buenos Aires. This was reported today by Foreign Minister Guillermo Bedregal, who, together with Energy Minister Carlos Morales, presided over the Bolivian delegation that traveled to the Argentine capital to negotiate several aspects linked with the sale of Bolivian gas to Argentina. Shortly before noon today Minister Bedregal visited President Victor Paz to inform him of the results of the negotiations with the Argentine Government.

[Begin Bedregal recording] We were very well received by President Alfonsin, Minister Caputo, and all the Economy Ministry officials involved in trade with Bolivia. We discussed several aspects of border exchange and the need to implement new complementary economic systems within the Andean region. [end recording]

Bolivia has presented a definite proposal on the price of its gas.

[Begin recording] We proposed an interesting thesis, namely the historical analysis of gas prices. With the aid of computers we concluded that Bolivia has subsidized Argentina by more than $550 million over past years. This is a factor that must be considered in the long term, because the long term must not be regarded only in terms of the future but also of past experiences. [end recording]

However, Minister Bedregal did not reveal whether the current prices and amounts of gas sales will be maintained.

[Begin recording] I still cannot say anything definite, because the permanent economic commission headed by the Foreign Ministry economic affairs under secretary is meeting in Buenos Aires. I believe that in the next few days we will be able to announce something officially. [end recording]

FLOODS CAUSE LOSSES TOTALING $60 MILLION

PY080111 Madrid EFE in Spanish 1552 GMT 7 Mar 86

[Excerpt] La Paz, 7 Mar (EFE) -- According to preliminary estimates by the Defense Ministry, the floods currently affecting Bolivia have caused losses totaling $60 million. The damage can not yet be fully determined, because there is no access to some zones. Several towns have become isolated by landslides and flooded rivers.

It is estimated that so far more than 5,000 hectares of cultivated land have been lost in La Paz, Santa Cruz, Cochabamba, and Beni Departments. There are more than 160,000 victims, and more than 3,000 homes have been destroyed.

MODIFICATION TO ECONOMIC DECREE-LAW ANNOUNCED

PY111633 Rio de Janeiro O GLOBO in Portuguese 4 Mar 86

[Text] Decree No 92,433, dated 3 March 1986, makes provisions for the implementation of the measures provided for under Articles 37 and 38 of Decree-Law No 2,283 of 27 February 1986.

"The president of the republic, exercising the powers bestowed on him by Article 81, items I and V of the Constitution, and taking into account Article 41 of Decree-Law No 2,283 of 27 February 1986 and the provisions made under Supplementary Law No 4 of 26 September 1986, and Law No 1,521 of 26 December 1951 and its amendments.

Decrees:

Article 1. The justice minister and the finance minister, within their own jurisdictions and in connection with the organizations or agencies subordinated or related to their portfolios, are appointed executors of the measures provided for under Article 37 and 38 of Decree-Law No 2,283 of 27 February 1986.

Article 2. The surveillance of the stability of all the prices established in Article 36 of Decree-Law No 2,283 of 27 February 1986 will be exercised by the Special Secretariat for Supply and Prices -- SEAP, the Interministerial Price Council -- CIP, the National Superintendency of Supplies -- SUNAB, the Council for the Defense of Consumers, and by the Federal Police Department, these being agencies reporting to the Justice Ministry.

Paragraph. The organizations mentioned in this article will coordinate, as required, with the other organizations of the federal administration in order to exercise the surveillance within their jurisdiction.

Article 3. SUNAB, an organization reporting to the Finance Ministry, will be charged with controlling the fulfillment of regulations concerning the price freeze and hoarding practices.

Paragraph 1. In order to implement the provisions of this article, SUNAB may use, by agreement, state, federal district, and municipal officials.

Paragraph 2. The Federal Revenue Secretariat will supply the necessary cooperation to SUNAB for the fulfillment of the provisions made concerning price supervision.

Article 4. The Federal Police Department will support SUNAB in the exercise of its supervisory activities, including the adoption of the repressive measures that are deemed necessary, notwithstanding their specific powers.

Paragraph. The Federal Police Department may coordinate with the Public Security Secretariats and with the state and federal district police precincts for their participation in the implementation of the provisions of this article.

Article 5. The Justice Ministry, along with the Office of the Attorney General, will coordinate with the state courts, seeking to expedite the repression of crimes against the popular economy that fall within the juridiction of common courts.

Article 6. The cases of abuse of economic power investigated by SUNAB while exercising its supervisory activities must be officially submitted to the Administrative Council for Economic Defense -- CADE -- to start the prosecution, notwithstanding other applicable administrative and penal proceedings and penalties.

Article 7. The noncompliance with the provisions made under Decree-Law No 2,283 of 27 February 1986 will make the violator forfeit whatever fiscal or other type of incentives granted by the Federal Government, and will prevent the violator from gaining access to any type of credits granted by centralized or decentralized federal administration organizations, or agencies, or by their agents.

Article 8. The punitive measures enforced for the noncompliance with Decree-Law No 2,283 of 27 February 1986 must be broadly disseminated among the public, seeking an effective defense of the public interests.

Article 9. This decree becomes effective on the date of its publication.

Article 10. Any provisions contrary to this decree are hereby abrogated.

Brasilia, 4 March 1986; 165th year of independence and 98th year of the establishment of the republic.

BRIZOLA CRITICIZES GOVERNMENT ECONOMIC PLAN

PY110114 Rio de Janeiro O GLOBO in Portuguese 7 Mar 86 p 3

[Text] The governmental economic package was the focal point of a statement Governor Leonel Brizola made last night. The statement encompassed most of the 60-minute PDT [Democratic Worker's Party] program broadcast over a domestic radio and television network. Deputy Governor Darcy Ribeiro and Mayor Saturnino Braga also spoke. Brizola said that the PDT admits all the good and positive features that the package has for the Brazilian people, emphasizing, however, that, as an opposition party, the PDT will not stop denouncing the harmful features of the federal government program.

The Rio de Janeiro governor stated that the PDT wholeheartedly supports the price freeze, "since no measure to combat inflation could be implemented without the freeze." The PDT also supports unemployment insurance, Brizola said, although the PDT regards this initiative as limited and restricted. Brizola also praised the benefits granted to mortgage holders and people who are paying rent.

Brizola feels that the economic package provides for an "indecent confiscation" of the salaries of all workers. Showing a graph to the television viewers, Brizola noted that the market prices were fixed at their maximum values, "to the workers' detriment."

Brizola commented that "this is scandalous. Don't tell us that we are creating difficulties for the economic package, and the fight against inflation. We are trying to clarify things because, no doubt, the government is drawing from those who cannot pay. Dr Tancredo Neves would never have taken economic measures, demanding from the worker what he could not provide. In Brasilia, presidential spokesman Fernando Cesar Mesquita yesterday stated that the president would not attend the PDT program broadcast because he had previous commitments.

PAPER DISCUSSES PROGRESS ON ATOMIC BOMB PROJECT

PY050150 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Mar 86 p 2

[Editorial: "Continent Without the Bomb"]

[Text] The hypothesis that Brazil may soon be in the technological position to build an atomic bomb is reinforced by some recent reports that the country will have the capacity to build nuclear missiles by 1991.

The consensus today is that the manufacture of the Brazilian atomic bomb, as it is called, has become a political rather than a scientific question. Statements in that regard have been made by the Armed Forces chief of staff, Admiral Jose Maria do Amaral Oliveria, and his predecessor, Lieutenant Brigadier Waldyr Vasconcelos. The manufacture of the bomb has been constantly discussed at the National Security Council (CNS), according to reports by Brigadier Hugo de Oliveira Piva, director of the Aeronautics Technical Center (CTA). Reports that a parallel nuclear program is secretly being developed in the CTA are frequently heard.

Progress has been possible in the areas of technology and personnel specialization thanks to the strictly civilian nuclear program carried out in cooperation with the FRG and by the secret research program. This, sooner or later, will bring the knowhow needed to manufacture the nuclear components for building the bomb, such as enriched uranium and plutonium, the lack of which is currently a major obstacle to the construction of the Brazilian atomic bomb.

The hypothesis that Brazil has chosen to join the nuclear club presupposes the need to master basic technology for the production of a transportation vehicle for the atomic bomb: that is, a missile. In such an endeavor, Brazil could even do without the transfer of Chinese technology, because it has the rocket technology to place four Brazilian-made satellites in orbit in approximately 2 years. With minor modifications, the same rockets could carry a nuclear device, thus filing one of the last requirements for a Brazilian atomic missile.

It can be seen that the moment is fast approaching when, having mastered the necessary technical knowhow, Brazil will have to make the momentous decision. Brazil will then have to decide whether to maintain its peaceful image or join the atomic weapons club, with all the international consequences -- even that of becoming a potential target of the bomb -- especially in this continent. No doubt, if the latter choice is made, a nuclear race will be under way in this impoverished and indebted Latin America. A fundamental step to preventing the nuclear race in the continent would be given if Brazil publicly renounces the building of an atomic bomb once the technology has been mastered. Another step would be to seek an agreement on mutual inspection with all the other Latin American countries that are developing a nuclear program.

A true peace pact will thus be secured, as has already been proposed by President Raul Alfonsin. It is in the interest of the countries in this continent, especially of Brazil and Argentina, not to get sidetracked by strategic considerations that have no place in the scale of economic and social priorities. Such an agreement would at least be a concrete act of protest against the fatal logic of an arms race in the eyes of the world.

CARABINEROS BREAK UP WOMEN'S DEMONSTRATION

PY080235 Paris AFP in Spanish 0137 GMT 8 Mar 86

[Text] Santiago, 7 Mar (AFP) -- Police sources have reported that approximately 50 people were arrested and 10 were injured during violent clashes tonight among opponents of the Chilean military regime and the police in Santiago's downtown Forestal Park. The clashes started in the park and ended only 50 meters away from La Moneda Palace. The clashes began when Carabineros agents sought to break up a demonstration of some 100 women, staged by women's organizations opposed to the military regime, to commemorate the international day of the woman on 8 March.

Police units and heavily armed military troops were deployed throughout the park and at the downtown Plaza Italia, where the demonstrators erected barricades with sticks and pieces of concrete and blocked off car traffic. Using truncheons, water cannons, tear gas launchers, and tear gas bombs the agents clashed with the dissidents who scattered throughout down town Santiago. Some people were arrested, including leaders Soledad Larrain and Luz Maria Navarro, both professional women.

Some groups went as far as Paseo Ahumada and La Alameda, Santiago's main avenue, where they blocked off traffic for a few minutes. Other demonstrators, shouting slogans against General Augusto Pinochet's administration, managed to get within 50 meters of La Moneda Palace whereupon they were scattered by tear gas while shouting: bread, work, justice, and freedom. The situation along Santiago streets returned to normal around 2130 local time (0300 GMT) under heavy patrolling.

In the predawn hours on 7 March a young girl was shot to death in Santiago when a military patrol shot at the car in which she was riding, the police reported. The driver of the car did not obey the order to halt, and he will be tried by the judge advocate. The military patrol intercepted the car in the neighborhood of Conchali, and one of the shots fatally wounded Maria Cristian Gutierrez, 17. Tonight the Interior Ministry reminded citizens that there is a curfew in the metropolitan area and vehicle traffic is forbidden between 0200 and 0500 local time, except Friday and Saturday nights and the eve of holidays. Meanwhile three people were arrested in Valparaiso, 140 km north of Santiago, while participating in an opposition meeting.

Rallies Planned 20 March

PY111508 Santiago Radio Chilena in Spanish 1730 GMT 10 Mar 86

[Text] During a press conference, the organization Women for Life announced that a new demonstration organized by women's organizations, this time called Right to Democracy, has been planned for Thursday 20 March. At the conference the leaders of Women for Life made a wrapup of the demonstrations carried out last Friday celebrating International Women's Day. Graciela Borquez, [leader of the movement] stated that despite the huge deployment of military and police forces, the demonstration was a success:

[Begin recording] Although they were not allowed to gather at the previously established places, they reorganized themselves in columns and went to the place where we had decided to meet. There we were violently repressed, and it really shocked everyone the way the [the demonstrators] were beaten. And then there were tear gas bombs, which are not exactly tear gas but toxic gases. [end recording].

For their part, Maria Antonieta Saa and Maria Asuncion Bustos asserted that the participants shared a united, peaceful, and cheerful mood, and added that the action of agitator groups was rejected by the demonstrators. During the press conference the Women for Life organization announced that on 20 March, another day of demonstrations for the Right to Democracy will be staged. During this demonstration, they said, we propose that all Chileans concentrate their attention on the exercise of various rights which Maria Antonieta Saa named:

[Begin recording] The right to vote: we call for voting in public and private places, to organize elections in which everyone can chose between dictatorship and democracy; the right to hold meetings: We will meet in public and private places, hold meetings to discuss the common problems of the section of town where in which we live, of the factory of the office, of the college or the school. [end recording]

They also mentioned the right to express the uneasiness caused by the permanence in office of the current government. In order to do so, we call for a day of discontent, in which we will set out from our homes blowing whistles and banging pots and pans, they added. The women's leaders stressed that soon they will announce detailed plans for peaceful 20 March demonstrations.

GOVERNMENT RENEWS STATE OF DOMESTIC THREAT

PY102206 Santiago Domestic Service in Spanish 1730 GMT 10 Mar 86

[Text] The Chilean Government has renewed, effective tomorrow, the state of threat to domestic order. The appropriate decree was published today in the Official Gazette. This decree also notes that the rules and regulations set forth in Decree 3259 of the Interior Ministry and its subsequent amendments are still in effect.

DEL VALLE ON VOLIO REPORT, PALME FUNERAL

PY070302 Santiago Radio Chilena in Spanish 2200 GMT 6 Mar 86

[Relay from La Moneda Palace by Jose Francisco Contreras]

[Excerpt] Foreign Minister Jaime del Valle was asked for his opinion regarding remarks made yesterday by a government official who accused the Christian Democratic Party of discrediting Chile abroad. Del Valle answered:

I think it would be too daring on my part to deny it. How could I deny it? But I could also add that other groups are doing the same thing. That is, Del Valle stated, there is an organization, something arranged. He added [UN Special Observer Fernardo] Volio is involved in this discrediting campaign. There is no question about it; his report is based on obvious mistakes, we are going to prove it in due time, because he has been misled in this cunningly conducted campaign, which could obviously mislead anybody.

In conclusion, the foreign minister referred to the fact that Chile has not been invited to the funeral of Swedish Prime Minister Olof Palme. On this subject, the foreign minister stated: We have made a gesture which is natural to us, expressing our profound condolences on the death of this gentleman. We understand the level of education and good manners required in situations like this. If other countries do not know how to deal with these matters, it is their problem, not ours, the foreign minister concluded.

Opposition Lauds Volio Report

PY080214 Santiago Radio Chilena in Spanish 2200 GMT 7 Mar 86

[Excerpt] Political leaders of the National Party and of the Independent Democratic Union [UDI] have termed fair and objective the report on human rights released today in Geneva by the UN special observer, Costa Rican Fernando Volio Gimenez. The political leaders have agreed to request an end to illegal punishment and a quick return to democracy.

UDI leader Maximiano Errazuriz has stated that in Chile there must exist special concern over the respect for man's fundamental rights as a form of contributing to the country's national pacification process.

[Begin Errazuriz recording] Of course, anything that may imply abuse and illegal physical punishment must be eradicated immediately. The question is not whether these abuses are committed by the terrorists, by some government agents, or opposition members. Any abuse must be avoided because it represents an attack on human dignity. This has also been noted by church officials. [end recording]

FORMER MINISTER WARNS U.S. AGAINST 'MEDDLING'

PY101448 Santiago Domestic Service in Spanish 1100 GMT 10 Mar 86

[Excerpt] Former Interior Minister Sergio Onofre Jarpa has rejected U.S. meddling in Chile's domestic affairs. He did so in the course of a press conference held at a downtown Santiago hotel. Jarpa explained his rejection of the U.S. attitude by saying:

[Begin recording] I wish to make it clear that as a Chilean I reject any kind of alien meddling in our affairs and I hope that other Chileans follow suit. I want to say once more that we do have a Constitution and this Constitution provides timetables and means, and no alien governments or officials of said governments are entitled to tell us Chileans what to do.

The U.S. Government should abstain from meddling in Chilean affairs as it has been doing lately because we would have no moral right to condemn Soviet interference if we were to accept the meddling of other countries in our affairs. The interference of the Department of State amounts to furnishing the communists, the Soviet imperialists, with the best argument to continue meddling in our affairs. [end recording]

The former interior minister also said that U.S. interference has been prompted by local politicians who have been trying to bring foreign influence to bear on the solution of Chile's problems.

NEW OAS ENVOY COMMENTS ON BOLIVIAN SEA ACCESS

PY061311 Santiago Domestic Service in Spanish 2200 GMT 5 Mar 86

[Excerpt] Javier Illanes, the newly appointed Chilean ambassador to the OAS, has said that Chile will uphold its position before the OAS that the Bolivian landlocked situation is a problem that must be treated bilaterally. Today, the ambassador went to Government House to say good-bye to President Pinochet. He will depart for his newly assigned post on 7 March.

BARCO PROCLAIMS VICTORY FOR LIBERAL PARTY

PA110109 Bogota Television Service in Spanish 0000 GMT 11 Mar 86

[Text] Virgilio Barco, the liberal party presidential candidate, has reopened his campaign with a series of meetings with former President Lopez Michelsen, Lleras Restrepo, and Turbay Ayala. After learning of the first results of yesterday's elections. Barco proclaimed victory for the congressmen, deputies and town aldermen of his party. Barco said: the nation has rejected the continuity of conservatism and is prepared to begin a stage of true change, represented by myself.

Luis Carlos Galan, the New Liberalism candidate, whose votes declined greatly yesterday, made no comment on the results of the elections.

According to the latest information from the Civil Registry, the Senate of the Republic would be composed as follows: Official Liberal Party, 60 seats; New Liberalism, 8 seats; Conservative Party, 45 seats; and the Patriotic Union, 1 seat.

BETANCUR OPPOSITION TO U.S. AID TO CONTRAS NOTED

PA111944 Bogota Radio Sutatenza Network in Spanish 1200 GMT 11 Mar 86

[Text] The national government has decided to suspend what is known as political silence, a period prior to and after elections, in order to allow radio and television stations to make comments and especially to interview people regarding the electoral process and recent events. President Belisario Betancur will use many sheets of paper and a great deal of time on radio and television, as well as other forms of communication, to analyze his conduct -- the manner in which he has led his country. Undoubtedly, the elections held last Sunday are important. Because of the administration President Belisario Betancur gave this country, many people believe the Colombians will react favorably to his truce policy, his option for peace and understanding among the many Colombians who did not at first support it because of their concern over security.

Now, to complete this situation, Dr Belisario Betancur has been severely criticized by the United States because it is not satisfied with the manner in which the Colombian president has handled foreign relations, especially with the Sandinists.

The Reagan administration stated yesterday in Washington that it disagrees with President Betancur's public opposition to U.S. support of rebels trying to topple the Nicaraguan Government. In an interview published by THE WASHINGTON POST, the Colombian president said that President Reagan's initiative is totally mistaken and will not produce new results in Nicaragua.

Prompts U.S. Reaction

PA112100 Bogota Television Service in Spanish 0000 GMT 11 Mar 86

[Text] President Betancur has rejected President Reagan's policy of aid for the Nicaraguan contras and noted that a dialogue policy will give better results. Betancur's opinion prompted a quick reaction from the State Department, which noted that Betancur's proposal has not produced good results in Central America or Colombia. This is why we don't agree with it, President Reagan's spokesman concluded.

VARGAS-GOVERNMENT CONFRONTATION CONCLUDES

Pineiros' Statement

PA112115 Quito Radio Quito in Spanish 1940 GMT 11 Mar 86

["Statement" issued by National Defense Minister General Luis Pineiros -- read by unidentified ministry official]

[Text] Message from the National Defense Ministry to all officers and civilians, on duty or [words indistinct] Armed Forces:

The National Defense Forces, thanks to the efforts, sacrifice, and devotion of thousands of compatriots throughout many generations, have achieved prestige, professionalism, and solid unity that is our trademark, for which we are known, and of which we are proud. Although I am just another soldier of the fatherland, having achieved the high rank of general of the Army, which I earned by striving every day, as all of you are doing, it is my moral duty to address all Armed Forces' personnel to urge you to maintain the calm, trust, [word indistinct] and, most of all, the solid unity called for during the trying moments we are unfortunately experiencing.

The serious and dangerous current problem has been irresponsibly caused by a high-ranking Air Force officer, who has unthinkingly, misguidedly, and stubbornly refused to comply with his legal duties. With boundless and unmentionable personal ambitions, he has taken advantage of the (?euphoria), discipline, and even the fears of a group of young military officers, goaded on by political sectors who have always felt animosity toward the military and who now are once again trying to use them in order to destabilize democracy in the country, to [word indistinct] discredit and divide the Armed Forces.

General Vargas Pazzos has chosen the path he deemed appropriate to hide his own shortcomings. He has made reckless, groundless, and slanderous charges against (?his) boss. I have [word indistinct] worked with him for over 18 months. My conscience is at peace, and my hands are clean. For that reason, with my head held high, my chest unprotected, as (?is becoming) of soldiers, I am awaiting [word indistinct] that the documents be presented and the charges which have been suspiciously hidden for so long be specified, so that I may reaffirm my honesty and righteousness before any judge or authority. Most of all, I wish to go before the Armed Forces which I ordered to create a broad tribunal that will best judge my actions and my past. If anyone can prove that I have been irresponsible, disloyal, or a thief, I am prepared not only to accept the historic sanction I deserve, but also to pay with my honor and modest means, which are the only patrimony of my family. I am prepared to pay with my own life.

When the president of the Republic designated my defense minister, he entrusted to me the great responsibility of recovering the military image, seeing that the Constitution and bylaws are permanently abided by, advocating professionalization, stability, and promotion, and turning the Armed Forces into the most loyal guardians of sovereignty, territorial integrity, order, and domestic security. I feel I have fulfilled these tasks in the best way possible according to the circumstances and my ability. All of you have witnessed my daily efforts to carry out the objectives of this period, which have benefited all.

I have no personal ambitions (?since) I have attained the summit of my career. I am willing to renounce all that I have achieved if this contributes to the restoration of peace, unity, and the prestige of the Armed Forces, particularly if this serves to prevent the unnecessary and unjustified shedding of a single drop of blood of any Ecuadoran soldier or any innocent fellow citizen. This is not the opportune time to shed this blood.

It is first necessary to restore peace and order, it is necessary that the insubordination and subversion come to an end, that authorities be respected again, as well as law, discipline, and loyalty. These constitute the essence of our profession. It is first necessary that military supplies and personnel arbitrarily withheld in the Manta air base be released, that investigations and trials provided for by law be carried out. These are the bases for our legal sturcture and our institution.

Soldiers of my homeland, I want to reach the innermost recesses of your lives, your feelings, and your discipline in order to appeal to your sensitivity, patriotism, and loyalty so that we can unite in the defense of our ideals, mission, and profession. In this way, we will be able to prevent, now and always, anyone from trying to harm or destroy the national Armed Forces, because the future, stability, and greatness of our institution and our homeland depend on this.

[Signed] Luis Pineiros Rivera

Manabi Sectors Threaten Strike

PA112203 Quito Radio Quito in Spanish 2132 GMT 11 Mar 86

[Text] All of Manabi Province's interest groups supporting the stance adopted by deposed Armed Forces Commander General Frank Vargas Pazzos announced a general strike for today at 1800. This was reported by our colleague station in Manabi, Radio Manabita, which announced this decision that has been adopted by the people of this region, citizens who are totally outraged by the actions taken against fellow Manabi native Vargas Pazzos.

Agreement Announced

PA120013 Quito Radio Quito in Spanish 2250 GMT 11 Mar 86

[Text] [Announcer Gerardo Alfonso Lopez] We will now move to Ambato to broadcast, together with Radio Quito, current events. This is Gerardo Alfonso Lopez from Radio Variedades in this information network with Radio Caravana from Guayaquil, one of whose mobile units broadcasts from the Manta air base. A few minutes ago Gen Frank Vargas Pazzos and the officers who supported him at the base left for Guayaquil. This is a report directly with Radio Eco. Lawyer Carlos Pareja also participated. This is all, Walter. We don't know whether you are interested in what Pareja and Gen Vargas said, since this is Radio Caravana and Radio Eco.

[Unidentified announcer] Of course. Let's hear those statements by the private secretary of the Presidency lawyer Carlos Pareja and Gen Vargas. It is important. Come on ahead. Make the change.

[Begin recording] [Vargas] [words indistinct] labeled as cowards. Thanks, people of Manabi. [repeats himself] [words indistinct] deliver to President Febres Cordero today. I am going as a man, as a soldier, to talk at the Guayaquil base. [words indistinct] I have given my word of honor to the president of the Republic [words indistinct].

[Paraja] We have spoken to the country about the calm that must prevail in the Republic [words indistinct]. Without any terms, we have talked in a friendly manner. We have reached an agreement and announce it to the public. Gen Vargas Pazzos goes to Guayaquil to be at the orders of the highest authority of the Armed Forces, namely, the president of the Republic acting as armed forces commander in chief.

[Words indistinct] with all honors and prerogatives of his high rank, Gen Vargas Pazzos [words indistinct] will be tried at the regular tribunals provided for by law. In addition, in order to stress the purity and cleanliness of this process... [announcer interrupts to say: Radio Variedades directly from Manta] it has been established [words indistinct] the facts reported by Gen Vargas Pazzos. Guarantees will be offered for all officers and radio technicials, not only on this base, but on all air bases in the Republic. This is [words indistinct] the agreement that we have reached to have peace and tranquillity. [end recording]

[Announcer] Ladies and gentlemen, these have been the statements, first of all, of Gen Vargas Pazzos. All seems to have ended. We have also heard the secretary general of the Presidency lawyer Pareja.

Pineiro Resigns

PA120221 Quito Radio Quito in Spanish 0145 GMT 12 Mar 86

[Text of the resignation letter of Defense Minister General Luis Pineiro Rivera -- read by announcer]

[Text] Your Excellency, President of the Republic: In view of the events affecting the nation, and in order to leave Your Excellency free to proceed according to your judgement, permit me to place at your consideration my resignation as defense minister, serving as which was an honor that you bestowed on me. I wish to express to Your Excellency my deepest gratitude for the trust you placed in me and the decisive support you offered me, which facilitated my work. In leaving the post, I also wish to voice my deep faith in the Army, which I have served for 37 years, and I trust it will continue its glorious path at the service of the fatherland.

1st Vargas Statement

PA120256 Quito Radio Quito in Spanish 0135 GMT 12 Mar 86

[Report by Patricio Jaya]

[Text] Gen Frank Vargas Pazzos arrived at the Mariscal Sucre Air Base at exactly 2020. He was welcomed by a large crowd, particularly by relatives of members of the Ecuadoran Air Force, who (?awaited) his arrival. Gen Frank Vargas Pazzos went to one of the command posts at the Ecuadoran Air Force Base, where he is being greeted by his relatives and friends. He is accompanied by his wife. In an effort to keep you informed, we approached Gen Vargas Pazzos and obtained a brief statement. We must note that Gen Vargas does not want to make any statement for the press at this time; perhaps he will do so sometime later. In any event, we were present at the room where Gen Vargas was receiving his relatives, and at least managed to obtain the following statement from him:

[Begin recording] [Jaya] General, what was the agreement that made you change the attitude you had maintained for 5 days?

[Vargas Pazzos] I would say that the word agreement does not exist in this case, but respect for the Constitution and laws. Today I have come to Quito to be judged, [words indistinct] so that a neutral court can analyze the problem, and restore my honor and my rights, of which I cannot be deprived. I cannot make any further statement for time being. To the people of Quito and all those friends who have welcomed me, I will always be grateful to them in my heart.

[Jaya] A few minutes ago you met with the president of the Republic...

[Vargas Pazzos, interrupting] No more questions, please. [end recording]

2d Vargas Statement

PA120348 Quito Radio Quito in Spanish 0203 GMT 12 Mar 86

[Text] Lieutenant General Frank Vargas has again insisted in his comments on what already is public knowledge, but which we believe should be passed on to our listeners throughout the national territory. In addition to what we have already reported, Gen Vargas also made a statement to reporter Consuelo Moreta, who has important information from the Mariscal Sucre military base. Following is the report from Consuelo Moreta from that base:

[Moreta] A few minutes ago, Gen Frank Vargas Pazzos offered some information to Quito reporters. He limited himself to a statement and refused to answer questions from the reporters. At this time, several people remain at Mariscal Sucre air base, waiting to greet Gen Vargas Pazzos. The following is the recorded statement of Gen Vargas at the Officers' Casino:

[Begin Vargas recording] I do not consider this a news conference because the military authorities ban me from holding one. I do want to send special greetings to the people of Quito, who at all times offered their support not to Frank Vargas or the Air Force, but to an act of justice that should prevail.

I want to apologize for not being able to continue meeting with the press, in view of regulations that do not permit it. I want your help at this moment, to safeguard the trial and make sure it proceeds conforming to the law for the sake of justice, for the benefit not only of a soldier or an institution, but of the fatherland, where there should prevail the principles of freedom to which the citizens are rightfully entitled.

Therefore, gentlemen, I am deeply grateful, particularly to the soldiers and officers of the Manta air base who accompanied me at all times. We never intended to go against democratic principles, but to impose respect for the principles which the former defense minister and general commander of the Army tried to trample.

Today, things are clear, and there is a military court of distinguished members of the Armed Forces who will learn about the situation. I am confident that they will find a solution with a just verdict, recognizing my rights, and with it, restoring the nation's tranquillity, which all Ecuadoreans desire. Many thanks, gentlemen, and I hope I shall not have to answer any questions. [end recording]

[Moreta] This was a statement of Gen Frank Vargas Pazzos, which we supplied from the Mariscal Sucre Air Base for Radio Quito.

Febres Cordero's Statement

PA120340 Quito Radio Quito in Spanish 0301 GMT 12 Mar 86

[Statement issued by the president of the Republic in the form of a news bulletin of the National Secretariat of Public Information of the Presidency of the Republic -- read by unidentified speaker]

[Text] Lieutenant General Frank Vargas today accepted the clear and precise disciplinary and legal norms of the military institution and appeared before the president of the Republic, commander-in-chief of the Armed Forces, to express his compliance with the military forces, which will issue a ruling regarding his behavior and pronounce the corresponding sentence. After the president of the Republic received the report, Lt Gen Vargas Pazzos was taken before the president. He said:

Mr President: I come to place myself at your orders. The president of the Republic said: Lt Gen Vargas Pazzos: You have placed yourself at the orders of the constitutional president of the Republic and commander in chief of the Ecuadoran Armed Forces, who has composed an honor court made up of General Azanza, veteran officer of those who comprise the court and who will preside over it; General Lima Ricaute, representing the Ecuadoran Army; Generals Duran and Salvador, representing the Ecuadoran Air Force; and Vice Admiral Canizares and Rear Admiral Guerra of the National Navy. You will place yourself under this honor court's orders at the Quito air base.

Lt Gen Vargas Pazzos stood at attention and replied: Yes sir, Mr President. Lt Gen Vargas Pazzos will remain under arrest at the Quito Air Base, where he will receive the considerations that correspond to his high military rank.

In a special statement by attorney Carlos Pareja, private secretary of the Presidency, Pareja said that the understanding that was reached does not include any dialogue or condition related to military situations. Lt Gen Vargas Pazzos will be able to and must set forth his ideas before his regular chiefs and will remain under arrest at the Quito air base.

CONGRESSMEN DISAGREE ON CLOSING SPECIAL SESSION

PA081549 Quito Voz de Los Andes in Spanish 1230 GMT 8 Mar 86

[Excerpts] Averroes Bucaram, president of the National Congress, has decided to close the special Congress sessions because of the permanent boycott by various political sectors and the irresponsibility of the deputies who on Friday did not attend in sufficient numbers to achieve a quorum to continue discussing the constitutional reforms. Visibly annoyed, Bucaram tried to hold a session on Friday but verified that only 24 deputies of the progressive bloc, 4 of the Alfarist Radical Front [FRA], and 4 of the Concentration of Popular Forces [CFP] were present. The 32 deputies were not enough to open the working session.

[Begin Bucaram recording] I tell the country that I am not going to permit [word indistinct]. The legislators are being paid to work. If they have not come to work, if they do not want to continue working, I must defend the Ecuadoran people's money. [end recording]

The special Congress sessions approved reforms of the elections law, 14 of 24 international agreements, and a few articles of the law on the legislative branch, and it began to hear the report of the special committee on constitutional amendments. The Congress should also have discussed vavious appointments, but now these will have to be discussed on another occasion. In any case, Bucaram said that he will study the possibility of immediately calling a plenary session of the standing committees so that they can continue to discuss important topics that must be resolved by the legislature.

Meanwhile, Ivan Castro Patino, vice president of Congress, believes that the closing of the special Congress sessions by Averroes Bucaram is unconstitutional.

[Begin recording] [Castro Patino] I have reviewed the Constitution and the laws, and I do not find constitutional or legal provision granting the president of the Congress the power to close special Congress sessions. The internal Congress regulations give the Congress president the power to call special sessions but not to close them.

In public law, a law cannot be interpreted in an extensive manner. Therefore, officials can only act in accordance with what is exactly established in the Constitution and the relevant law.

[Unidentified reporter] [Question indistinct]

[Castro Patino] I want to add something. Our party, the FRA, has criticized and rejected the closing of past special Congress sessions by then president of Congress, Raul Baca Carbo.

[Question indistinct]

[Castro Patino] It was decided that the congress should determine whether the actions by the standing committees following the closing of the special sessions should be annulled. The only difference between Baca Carbo's closing of the sessions -- an action that was criticized then by the FRA and the CFP -- and the closing of the sessions now by the current president of Congress is that on the previous occasion, the Congress president called the special sessions. However, I do not think this difference is relevant because the Congress president is not empowered to close the special Congress sessions by himself and without consulting the Congress. [end recording]

TRANS-ECUADORAN OIL PIPELINE NATIONALIZED

PA031840 Quito Voz de los Andes in Spanish 1130 GMT 3 Mar 86

[Excerpts] The assets of the (Lago Agrio)-Esmeraldas trans-Ecuadoran pipeline were transferred to the Ecuadoran State Petroleum Corporation, CEPE, on Saturday, according to a ministerial agreement signed by Energy Minister Xavier Espinosa Teran. The pipeline includes the main line, the ocean line and the ocean terminal, pumping and pressure reduction stations, and the storage tanks located between the surveillance point in (Lago Agrio) and the ocean terminal in Balao. The trans-Ecuadoran pipeline is 503 km long and between 20 and 26 inches in diameter. It transports an average of almost 300 barrels of crude per day and stretches over heights of up to 4,500 meters above sea-level in the mountain range area. Acting Energy Minister Fernando Santos Albite discusses the pipeline:

[Begin recording] An agreement was signed yesterday whereby Texaco, which is the firm that operates the CEPE-Texaco congolomerate, will continue to operate the pipeline. Texaco has run the pipeline very efficiently since it opened in 1972. It has qualified, well-trained personnel, most of whom are Ecuadoreans. However, as CEPE owns the pipeline it may assume its operations after prior notice to Texaco officials. [end recording]

Santos Albite explained that the agreement establishes that as of 0600 on 1 March 1986 the pipeline's assets will be transferred to CEPE based on property, plant, equipment, and warehouse inventories, as well as on the corporate balances up to 28 February 1986.

SUPPORT REAFFIRMED FOR NEW MONETARY FUND

PY102352 Paris AFP in Spanish 1158 GMT 10 Mar 86

[By Hugo Levano]

[Text] Lima, 10 Mar (AFP) -- Well-informed sources have leaked the fact that this week Peru will officially submit for consideration a project creating a Latin American Monetary Fund (FML) that could to some extent substitute for the IMF. The project, which President Alan Garcia and Argentine President Raul Alfonsin will discuss over the weekend, will be presented by the Peruvian delegation to the Andean Reserve Fund [FAR] during a meeting that the FAR will hold in Buenos Aires early this week. The project, which President Garcia announced in the speech he delivered at the UN General Assembly in October 1985 [month as received], was prepared by Central Reserve Bank (BCR, the institution that prints money) experts. BCR president Leonel Figueroa has said that the project is essentially the same as another one formulated by Andean Pact experts.

Last week the Andean Pact project was submitted to President Alan Garcia, who had already received the plan formulated by the Peruvian experts. The Peruvian proposal comes just as Latin American opposition to the IMF adjustment programs is increasing. Even though the evaluation and possible approval of the Peruvian proposal will undoubtedly call for lengthy debate, this initiative seems to follow the strategy of President Garcia, who does not want to remain inactive in the face of the demands from the creditors, which have IMF suport.

Peru's 290 private creditor banks have decided to hold a meeting on 12 March to begin negotiations over the payment of $300 million in accrued interest. In addition, the IMF demands that before 10 April Peru negotiate the payment of $765 million in accrued interest and overdue amortizations.

However, Garcia has insisted on his proposal to service the debt with no more than 10 percent of his country's export income, which this year will amount to $300 million, and to make payments in keeping with the interests of the country. If no agreement is reached -- in this regard it could be pointed out that President Garcia rejected the presence of an IMF mission in Peru a few days ago -- the IMF will declare Peru ineligible to receive further assistance. This is to be added to a U.S. decision made in October declaring the Peruvian debt as value impaired.

In the meantime, while the BCR proposal on the FML has not been disclosed, the general guidelines of the Andean Pact project, which according to Figueroa is similar to the BCR proposal, have been made public. Under the Andean Pact proposal, the FML would be based upon the FAR, an organization which the five Andean Pact members (Bolivia, Ecuador, Peru, and Venezuela) created on 12 November 1976.

The FAR's capital was drawn from part of the reserves of the signatories, which jointly manage the institution. The initial capital of the FAR was $240 million. The organization, which increased its capital to $500 million in October, made a $45-million profit in 1985.

The objective of the FAR is to provide financial resources for solving balance-of-payments problems, facilitating access to the international financial markets, and promoting trade and industry. It has already rendered valuable assistance to Bolivia, Ecuador, Colombia, and Peru on several occasions. In principle, the FML would have 12 members: the 5 Andean countries, 6 signatories of ALADI (Latin American Integration Association), and the Dominican Republic.

The Andean Pact project foresees that the 12 countries will provide a total of $1.625 billion to the FAR's capital, according to the following breakdown: the three countries with the highest levels of relative development (Argentina, Brazil, Mexico) will provide $250 million each. The five countries with medium levels of relative development, which are called countries with insufficient markets (Venezuela, Colombia, Chile, Peru, and Uruguay) will provide $125 million each. The countries with the lowest levels of relative development (Bolivia, Ecuador, Paraguay, and the Dominican Republic), $62.5 million each.

The project foresees that the FML will grant medium- and short-term loans in proportion to the contribution of each country. The countries in the first category will be entitled to receive loans for up to 1.5 times the amount of their contributions, those in the second category up to 2 times the amount of their contributions, and those of the third category up to 2.5 times the amount of their contributions. The only condition that the signatories must meet before receiving the loans is that the resources must be used for implementing consistent economic programs of stabilization that have been sovereignty formulated by each country. That is to say, in no way can such programs be the ones suggested by the IMF or a similar institution. Neither can the loans be used for repaying the debts owed to private banks.

During a meeting that has just been held in Buenos Aires, the Group of 24 concluded that the open financial market cannot solve the debt problem. This conclusion supports the Peruvian FML proposal, which will be presented on the eve of a meeting that ALADI will hold in Montevideo on 7 April.

COMMENTATOR CRITICIZES GARCIA-BORGE MEETING

PY111431 Lima EXPRESO in Spanish 1 Mar 86 p 2

[Manuel D'Ornellas commentary: "The Disturbing Commander"]

[Text] The visit that Tomas Borge is paying to Peru will not ease the concern of those who fear that our country may follow the Cuban and Nicaraguan course, particularly after President Alan Garcia invited the visitor and his host, Mayor Alfonsin Barrantes Lingan, to lunch at Government House.

Neither will the Nicaraguan Interior Minister's visit -- to which we referred in this column yesterday -- help improve the dialogue with the United States. Quite the contrary, the Peruvian-U.S. dialogue was resumed by Prime Minister Alva Castro during his recent controversial trip to Washington and New York. The Sandinist regime comes first on Ronald Reagan's list of devils. Thus, it would not be surprising if his direct intervention in the ousting of Duvalier and Marcos was aimed at providing a background to justify a possible -- either open or disguised -- U.S. invasion of Nicaragua.

In view of all this, was it necessary to bring Borge to Lima and give him preferential treatment? At least his Peruvian counterpart Abel Salinas did not seem to like so much flattery on the part of the government for the most communist of all Sandinists. Salinas left for Mexico on the eve of Borge's arrival. Perhaps, regretting having invited him to Peru, Luis Negreiros, president of the Chamber of Deputies and Borge's host, made no effort to return from Buenos Aires to meet him at the airport.

As we can see, Tomas Borge is a friend who causes discomfort. He will frighten the Peruvian bourgeoisie and cause friction between our country and the United States. Moreover, his presence will irritate our Chilean and Ecuadoran neighbors, with whom we are trying to build new relations. Furthermore, the Vatican will not approve of it either.

Whose sympathy do we earn? Only that of the United Left leadership. And is it important for the current government to be on good terms with that extremist political conglomerate? It apparently is. Otherwise, there is no explanation for Alan Garcia's inviting Borge for lunch at Government House.

To us, the president'surge to seduce the red left is an unfathomable mystery. He does not need its votes in Congress because the American Popular Revolutionary Alliance [APRA] has a majority in both legislative branches. Moreover, with gestures of this type he is not snipping off the claws of the General Confederation of Peruvian Workers [CGTP], which is still creating conflicts for the government.

The only explanation, then, must be of an electoral nature: to bring some parties of the United Left to its side and thus earn some votes in the November municipal elections. A meager haul is thus obtained, if it actually is obtained, at an extremely high cost. Paris perhaps would be worth saying a mass, but a handful of votes within 8 months certainly does not justify an embrace with Tomas Borge.

5 PIP OFFICERS DISMISSED AFTER ZARATE CASE PROBE

PY111608 Lima Radio del Pacifico in Spanish 1200 GMT 11 Mar 86

[Excerpts] The Interior Minister yesterday reported that five Peruvian Investigative Police [PIP] officers have been dismissed from the institution while five noncommissioned officers are under investigation for violating regulations and laws while on duty. This is the conclusion of investigations that were carried out on charges made by the newspaper LA REPUBLICA, which stated that General Jorge Zarate left his prison cell whenever he wanted.

According to the interior minister Genral Zarate has been transferred to the 24th civil guard command post so that his fellow PIP comarades will not continue to protect him. The interior minister noted that General Zarate is under the constant surveillance of the Civil Guard. As is well-known, General Jorge Zarate is heavily involved in drug-trafficking activities, which were carried out by his close friend Reynaldo Rodriguez Lopez, better known as the Godfather.

CUBAN VICE MINISTER ON FOREIGN DEBT, RADIO MARTI

FL110340 Mexico City NOTIMEX in Spanish 2220 GMT 10 Mar 86

[Text] Mexico City, 10 Mar (NOTIMEX) -- Cuban Vice Minister for Maritime Affairs Raul Gonzalez Tapia said today that the world economic crisis and the presence of some Latin American dictatorships prevent greater cooperation between regional countries. The official, who is returning to Cuba to participate in the multinational Caribbean conference to be held in Havana, said that it is necessary for area governments to unite their opinions and efforts to overcome financial problems.

The Cuban vice minister said that important goals for restructuring the foreign debt could be achieved if Latin American governments unite. Nevertheless, he said, unity is not easy to achieve, especially when there are dictators who oppose democracy in Latin America.

In reference to Radio Marti broadcasts to Cuba, Gonzalez Tapia said that Radio Marti has not been able to get through to the people because Cubans know perfectly well that the United States goal is to distort the achievements of the Cuban revolution. Because of this, he stressed, the authorities and as the residents of the Caribbean island reject any U.S. initiative that is considered to be against the interests of Latin American unity.

SOVIET ENVOY CONDEMNS U.S. SUPPORT OF CONTRAS

FL112000 Mexico City NOTIMEX in Spanish 1910 GMT 11 Mar 86

[Text] Mexico City, 11 Mar (NOTIMEX) -- International law condemns the support the United States Government is giving the Nicaraguan contras, Soviet Ambassador to Mexico Rostislav Sergeyev has said. He said that this U.S. aid to the anti-Sandinist rebels is an act of state terrorism. He said it is time for the U.S. Government to stop intervening in the affairs of other states because its continuous interference in various parts of the world worsens existing problems. He said his country condemns U.S. interventionist acts, and spoke of the need to defend international law throughout the world, including in Nicaragua.

U.S. ENVOY GAVIN ACCUSED OF INTERFERENCE

PA110433 Mexico City EL DIA in Spanish 8 Mar 86 p 5

[Article by Raul Moncada Galan: "One More Offense by Gavin"; words in uppercase published in boldface]

[Text] U.S. Ambassador John Gavin has once again interfered with matters which, because of his job, are none of his business. This time the U.S. proconsul, rather than ambassador, took advantage of a cartoon made by master Alberto Beltran on the death of Juan Rulfo and what he thought of intellectuals, to put forth a highly insulting official opinion -- the letter Gavin sent to Beltran was written on embassy stationary -- on Beltran's personality and his graphic works.

With the false pretext of defending the Mexican poet who approves of the empire's interventionist policy, and whom Beltran criticizes in the cartoon, Mr Gavin proceeds to censure the behavior of a people who, according to his authoritative observations, suffer from two censurable defects: They are prejudiced against the United States, and they have a great capacity for underestimating themselves, which, as in the case of Beltran, goes as far as "self-denigration without any positive result."

However, the twisted letter from the U.S. proconsul not only offends master Beltran and the Mexican people, but also attempts to question the worth of the National Art Prize as well as the editorial policy of our newspaper, as Alberto Beltran has been distinguished with the aforementioned prize and is president of the editorial council of EL DIA. This is a good enough reason for all of us who work at EL DIA to feel attacked by the stupid and misleading OPINIONS of the proconsul and to protest energetically John Gavin's insulting attempt to curtail freedom of speech and of the press, which are rights granted by OUR Constitution.

On the other hand, Mr Gavin has every right to think what he likes and what his cultural and political limitations allow him to think of Alberto Beltran, the Mexican people, the National Art Prize, and EL DIA, so long as he does it in private. But if he does it publicly and in his capacity as U.S. ambassador to Mexico, he is not only breaking the most elemental rules of diplomacy, he is also making it justifiable for him to be declared persona NON GRATA, because someone who tries to provoke unrest in our home and who has such a prejudiced opinion of our ways cannot be welcome.

In addition, Gavin's stupidity and insolence give us the right to affirm that, in our experience, some North Americans -- like Gavin for example -- suffer from two common defects: They consider Mexicans second-class humans beings, in other words inferior, and they have a great capacity for overestimating themselves, which in some cases, like that of the proconsul, goes to the point of arrogance, insolence, and cynicism.

Finally, if we did not know all along that John Gavin is in Mexico to carry out acts of provocation and not diplomacy, one could well think in an instant when one's brain goes soft, that Mr Gavin knows very little of history and geography, because he describes as anti-North American prejudice the justified mistrust Mexicans feel toward the annexationist policy of his country, which, as he might not know, cost us more than half of our national territory. He constantly confuses the Republic of Mexico with Chile, Haiti, the Philippines, or Grenada, countries where the proconsuls do have a say in the countries' internal affairs.

JAPANESE ENVOY SAYS INVESTMENTS TO CONTINUE

FL072044 Mexico City NOTIMEX in Spanish 1850 GMT 7 Mar 86

[Text] Mexico City 7 Mar (NOTIMEX) -- Japanese ambassador to Mexico Takeshi Naito said the Japanese Government has complete confidence in Mexico and its people because of their responsible and realistic attitude in confronting their problems. He said that because of this, Japanese investments continue being made and industries continue to be installed in Mexico.

In reference to the foreign debt, the Japanese diplomat said that this is a political matter, not economic, and he indicated that the creditor and debtor countries should negotiate and be flexible to arrive at a solution to the problem.

He indicated that the Japanese banks are always ready to cooperate with Mexico since they consider coexistance between all countries the best solution to current problems.

He also said that Mexican President Miguel de la Madrid will visit Japan this spring. An exact date was not given.

VALERO TRAVELS TO SAN JOSE FOR CONTADORA TALKS

PA111954 Mexico City XHDF Television Network in Spanish 1955 GMT 10 Mar 86

[Text] Mexican Foreign Under Secretary Ricardo Valero today traveled to San Jose, Costa Rica. The Contadora Group deputy foreign ministers will be establishing there the border supervision commission between Costa Rica and Nicaragua, and for this purpose they will be participating in a second round of talks. The border supervision commission, which was proposed in the Caraballeda document, is supported by an express commitment between Nicaragua and Costa Rica to respect their territorial integrity.

ARGENTINE AMBASSADOR DISCUSSES L.A. FOREIGN DEBT

FL110354 Mexico City NOTIMEX in Spanish 0315 GMT 11 Mar 86

[Excerpt] Monterrey, Mexico, 10 Mar (NOTIMEX) -- Argentine Ambassador to Mexico Facundo Suarez said here today that the serious Latin American foreign debt problem will only be resolved politically.

During his speech at the Eighth International Economic Symposium, which began today at the Monterrey Technical Institute of Higher Education, the diplomat said that application of the Baker plan is insufficient to solve the foreign debt problem in Latin America.

Suarez also said that no government should declare a moratorium on the foreign debt because serious problems would result. It would be more convenient to renegotiate interest rates.

FINANCE SECRETARIAT ON FOREIGN DEBT TALKS

PA111723 Mexico City XEW Television Network in Spanish 1300 GMT 11 Mar 86

[Excerpt] The Finance and Public Credit Secretariat has reported that the U.S. Federal Reserve Bank has decided to increase from 90 to 180 days the deadline for the payment of $3 billion that Mexico has to pay for the use of the Pemex line of credit.

This extension means that Pemex will be able to continue using that line of credit, despite the drastic drop in its export revenue. If the deadline had not been extended, Pemex would have been unable to generate sufficient exports to justify the maintenance of the total amount of that line and it would have had to pay $1 billion for the use of the line.

This is one of the agreements achieved by the Mexican delegation headed by Finance and Public Credit Secretary Jesus Silva Herzog. The delegation is carrying out negotiations with international financial authorities for the renegotiation of the payment of the foreign debt.

The Finance and Public Credit Secretariat also reported that the World Bank will grant Mexico $400 million to finance the reconstruction of the areas affected by the earthquakes and another $500 million to increase the export programs in 1986.

The secretariat reported that the IMF will grant Mexico an additional credit whose amount and financing terms will be decided some time this week.

Meanwhile, the delegation of Finance Secretary Silva Herzog will soon hold talks with representatives of commerical banks and member countries of the Paris Club -- comprised of the official agencies for the promotion of exports of the industrialized countries -- to reach an agreement on Mexico's debt with those agencies.

PEMEX HYDROCARBON RESERVES EXCEED 71.75 BILLION

FL112204 Mexico City NOTIMEX in Spanish 2005 GMT 11 Mar 86

[Text] Mexico City, 11 Mar (NOTIMEX) -- The state enterprise Pemex confirmed today that its total tested hydrocarbon reserves exceed 71.75 billion barrels, the majority of which are located in the Campeche areas.

Pemex was asked about several press reports that indicate Mexico has much less than 71.75 billion in oil reserves and responded by saying that these reports were hardly credible.

Pemex' oil production is 2.75 billion barrels daily, and the Campeche wells on the gulf coast produce between 2.5 million and 5 million barrels daily.

It was made clear that for years Mexico required assistance from technicians of the American Petroleum Institute to account for its reserves. Currently this work is being done by Mexican technicians with national equipment.

CORRECTION TO DE LA MADRID SPEECH ON ECONOMY

The following correction to the item headlined "De la Madrid Speech Outlines Economic Policy," published in the 24 February Latin America DAILY REPORT on page M 1, is supplied from EXCELSIOR of 22 February:

Paragraph two, lines four and five read: ...income of approximately 3 trillion pesos, which... (substituting "trillion" for "million")

BRIEFS

TRADE BALANCE SURPLUS DROPS -- According to a report prepared by the General Customs Directorate, the Bank of Mexico, and the National Institute of Geography, Statistics, and Data Processing, in January 1986, Mexico's trade balance was positive by $389.7 million. Compared to the same period last year, there was a 37.6 percent drop due to a 35 percent drop in petroleum exports. In contrast, other exports grew by 25.3 percent. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 7 Mar 86 PA]

LABOR MINISTRY DECLARES GENERAL STRIKE 'ILLEGAL'

PA111707 Panama City CRITICA in Spanish 11 Mar 86 p 1

[Communique issued by the Labor and Social Welfare Ministry -- date not given]

[Text] In view of the many telephone calls from workers who might be affected by the "general strike" called by the National Council of Organized Workers [Conato] and who want to clarify their wage situation, the Labor and Social Welfare Ministry fulfills its duty of announcing the following:

The Conato leaders' call for a strike to protest against the national government's efforts to improve the economic situation of the Panamanians does not fulfill the requirements established by the Labor Code for holding a strike; therefore, the "general strike" is illegal.

As a result, the suspension of work means that the worker will not be paid for the time they do not work and could lead to the adoption of legal sanctions by the employer due to the suspension of work as is established by the internal work regulations of the specific enterprises and the Labor Code.

Minister Lee, PRD Head Comment

PA112237 Panama City Televisora Nacional in Spanish 0000 GMT 11 Mar 86

[Text] Here are statements by Labor and Social Welfare Minister Jorge Federico Lee on the current situation.

[Begin recording] Well, the general strike that was decreed and initiated today has not been very successful. Most commercial and industrial activities are being carried out normally, except for isolated incidents in some companies affected by the strike.

Actually, a general strike is not only unjustified, it is also clearly illegal. The labor laws do not provide for this kind of situation. We are convinced that the labor leaders should participate in a dialogue to make concrete observations. [end recording]

Democratic Revolutionary Party [PRD] President Dr Romulo Bethancourt has finally given us a summary of the negotiations that have taken place with the labor groups.

[Begin recording] The proposal was basically intended to forestall this strike. During the meeting the problem of the amendment of the Labor Code was discussed very openly, and the union leaders thoroughly discussed their fears and concerns.

However, I want to mention that I continue to propose....[changes thought] On behalf of the PRD and duly authorized by the government, I continue to propose that the union leaders reconsider their stance regarding the establishment of a commission to draft the articles with us or with people appointed by us, so as to prove clearly that their fears are groundless. [end recording]

Situation Reported Calm

PA120135 Panama City Televisora Nacional in Spanish 0000 GMT 12 Mar 86

[Text] Activities were normal today in Central Avenue, principal commercial artery of this capital. Buses and taxis continue to work normally, while commercial establishments, banks, and public offices were open throughout their regularly scheduled hours.

In some stores workers observed the strike, in compliance with their union's instructions.

Meanwhile, the Defense Forces placed special units in several strategic sites of this city to preserve public order.

Upon recommendation by the authorities of the University of Panama, the students left the premises this morning. Groups of students, however, blocked the Transisthmian Highway and set fire to an automobile. Another attempt to block traffic on Via Bolivar was avoided when the workers talked with members of the Defense Forces.

During the afternoon and early this evening the situation in the capital was calm, and night clubs and other entertainment centers are open as usual.

Meanwhile, the Conato announced today that the strike called to reject the labor code reforms will continue until the three draft bills to reactivate the national economy are withdrawn from the Legislative Assembly.

Conato maintains the strike is observed by 95 percent of the groups that make up that organization, although it admitted that the transport sector is not supporting it. Conato also announced a march for tomorrow afternoon, starting from Porras Plaza to the Cathedral Plaza.

BRIEFS

FOREIGN POLICY DIRECTOR -- It was unofficially reported that Antonio Correa Barrelier has been appointed new director general of foreign policy at the Panamanian Foreign Ministry. [Summary] [Panama City CRITICA in Spanish 8 Mar 86 pp 32, 15 PA]

AMBASSADORS PRESENT CREDENTIALS -- The new ambassadors from the Netherlands, Finland, Australia, and Norway have presented their credentials to President Eric Arturo Delvalle during a ceremony at the Presidential Palace. These ambassadors are Reijnier Flaes from the Netherlands, Oka Lasse Veli from Finland, Richard Gordon Starr from Australia, and Jan Arvesen from Norway. [Summary] [Panama City MATUTINO in Spanish 7 Mar 86 p 12B, 8A PA] Javier de Zevallos, the new Peruvian Ambassador to Panama, presented his credentials to the President of Republic Eric Arturo Delvalle in a ceremony at the Presidential Palace, which was attended by Foreign Minister Jorge Abadia Arias. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 19 Feb 86 p 48-D PA]

COSTA RICA

MONGE DENIES U.S. ENGINEERS PREPARING INVASION

PA111738 San Jose Radio Reloj in Spanish 1200 GMT 11 Mar 86

[Text] President Luis Alberto Monge Alvarez has replied to statements by local communist groups by saying that it is absolutely false that the U.S. engineers working in the Quepos area are making way for U.S. troops to invade Nicaragua. The president added that this type of accusation is a typical, deceitful remark made by the local leaders of Marxism-Leninism.

The president added that the Quepos area is far from the Nicaraguan border, and therefore it makes no sense to talk about an invasion. Monge Alvarez also said that the U.S. engineers will build a Bailey bridge and will repair four other bridges badly needed by area farmers.

President Monge Alvarez emphasized that nobody has talked about the passage of troops through Costa Rican territory to attack Nicaragua, flatly rejecting the charges of the procommunist groups.

The president also said that it has been clearly specified that Costa Rica is neutral and will not allow the passage of troops through our territory. In this manner, President Monge Alvarez replied to charges being made by local communist leaders concerning the presence of U.S. engineers in the area of Quepos and Parrita.

ARIAS' REGIONAL TOUR EXCLUDES NICARAGUA

PA111414 Panama City ACAN in Spanish 2125 GMT 9 Mar 86

[Text] San Jose, 9 Mar (ACAN-EFE) -- President-elect Oscar Arias today confirmed that his Central American tour will not include Nicaragua. When he announced the itinerary of his trip through this area last week, Arias advised that he would meet only with the presidents of El Salvador, Guatemala, and Honduras.

Arias will meet with Nicaraguan President Daniel Ortega possibly after 8 May if the meeting proposed and promoted by Guatemalan President Vinicio Cerezo is held.

Arias will visit Guatemala on Thursday, 13 March, in the company of his brother Rodrigo, an elected deputy and the next Presidency minister, and of Rodrigo Madrigal Nieto, the appointed foreign minister for his administration. On the same day, he will meet with President Cerezo, and that night he will receive a decoration during a dinner given by the Guatemalan president.

On 14 March Arias will leave for San Salvador to meet with President Jose Napoleon Durate and will spend the night in that capital.

Early on Saturday, 15 March, Arias and his ministers will go to Tegucigalpa, where they will have a similar agenda with President Jose Azcona Hoyo.

The delegation is scheduled to return to Costa Rica late on Saturday, 14 March [date as received], but there is also the possibility that Arias may spend the night in Honduras and return to this capital on Sunday.

On 19 December [month as received], Arias will visit Panama, where he will meet with President Eric Arturo Delvalle, and in April he will go to the United States before assuming office on 8 May.

EL SALVADOR

FMLN-FDR TO DELAY MEETING WITH RIVERA Y DAMAS

PA120423 Paris AFP in Spanish 0250 GMT 12 Mar 86

[Text] San Salvador, 11 Mar (AFP) -- The Salvadoran guerrillas announced tonight that they will delay until next week sending a delegation to San Salvador to discuss, with the government and through the Catholic Church, the mechanisms for the resumption of the dialogue for peace. In a communique sent to AFP, the FMLN-FDR asked Salvadoran President Jose Napoleon Duarte to express, "officially and seriously, his stance on our leaders' arrival in San Salvador to meet with Msgr Rivera y Damas."

The communique indicates: "The archbishop has advised us on his duties and that he will not be in San Salvador this week. He has asked us to postpone our arrival. Consequently, our delegation will appear before the mediator of the dialogue next week."

The note points out that this decision (sending a rebel delegation) "is a specific contribution to the Salvadoran people's aspirations for peace."

The fronts said that the recent statements of President Napoleon Duarte to the effect that the government will not object to the arrival of the delegation if it is to render an account of its crimes "are so absurd that they could hardly be considered the government's official position."

Duarte told a local radio station Monday that the members of the rebel mission could come whenever they wished to turn themselves in to the police.

The communique added that the statements of the chief of state are "incomprehensible, because one day he is willing to renew the dialogue, and a few days later he threatens the FMLN-FDR representatives with imprisonment."

Duarte proposed the renewal of the dialogue with the rebels on 4 March, provided there were simultaneous talks between the Government of Nicaragua and the counterrevolutionary forces. This proposal by Duarte is earmarked, according to him, in a peace plan for Central America, which would include a meeting of area presidents and the creation of a Central American parliament.

"The serious deterioration of Duarte's government could be the cause for his desperate and contradictory attitude, but despite this, the FDR-FMLN expect Mr. Duarte will seriously and officially state his position regarding the arrival of our leaders in San Salvador to meet with Msgr Rivera y Damas," the communique concludes.

REBELS DENOUNCE RECENT CHALATENANGO BOMBINGS

PA112200 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Mar 86

[Excerpts] With his package swindle, Napoleon Duarte wants the people to pay for the bombs being dropped on them. As a matter of fact, a few hours ago, in Aldea Vieja, Chalatenango Department, U.S. bombs fell on houses of the civilian population. This frightened women, elderly people, men, and children who have nothing to do with the conflict.

The civilian population of Chalatenango Department has been the victim of the most indiscriminate and massive bombings in the past few weeks; the bombing that took place a few hours ago in Aldea Vieja is an example of this.

In February alone the Duartist Air Force carried out 20 bombing operations involving approximately 200 bombs -- the equivalent of 100,000 kg of explosives -- in Chalatenango cantons. In that month, cantons populated by civilans in Chalatenango were targets of dozens of machine gun attacks involving helicopters and C-47 planes; the Air Force used an equivalent of 50,000 kg. They also fired approximately 100 mortar shells and carried out 2 helicopter-borne landing operations in civilian settlements.

In Guazapa and Cinquera, in only 2 months, the regime of Napoleon Duarte displace more than 13,000 people, who joined half a million other Salvadorans forced out of their homes by military bombings and operations. These displaced people are left hungry and destitute.

In fact, today we see how these half million displaced people are being denied medical treatment from world humanitarian organizations, in keeping with the latest order of General Blandon.

Half a thousand homes turned into ashes and more than 200 civilian victims were the results of "Operation Phoenix" in Guazapa.

Therefore, UN and OAS human rights commissions, Amnesty International, and other organizations recently described the regime of Napoleon Duarte as a constant violator of the rights of the civilian population, against whom he is waging a genocidal war unprecedented in Latin America.

Today our struggle is justified in the eyes of the world. Our people are increasingly answering the ineludible call to join this struggle in all its forms. An ocean of guerrillas and organized people will suffocate the criminal plan aimes at oppression and submission to the imperialist will, a plan that a few hours ago brought about new civilian victims in the wake of bombings in Chalatenango Department.

BRIEFS

TRADE AGREEMENT WITH VENEZUELA -- San Salvador, 10 Mar (ACAN-EFE) -- An official spokesman has reported to ACAN-EFE that the governments of El Salvador and Venezuela signed a trade agreement here today. According to this spokesman, with this agreement El Salvador can export agricultural and industrial nontraditional products to Venezuela with "nonreciprocal tariff preferences." The agreement was signed by Rodolfo Antonio Castillo Claramount, Salvadoran vice president and foreign minister, and Regine de Acevedo, deputy foreign trade minister, for the Salvadoran side, and by Pedro Emilio Coll, Venezuelan ambassador to El Salvador, for the Venezuelan side. [Excerpt] [Panama City ACAN in Spanish 1844 GMT 10 Mar 86 PA]

GUATEMALA

MEXICAN LEGISLATIVE MISSION ARRIVES FOR TALKS

PA110440 Panama City ACAN in Spanish 2125 GMT 9 Mar 86

[Text] Guatemala City, 9 Mar (ACAN-EFE) -- A mission of Mexican legislators, led by Antonio Riva Palacio Lopez, president of the Mexican Senate's Grand Commission, arrived in Guatemala today.

The Mexican legislators' (senators and deputies) mission is to "express the Mexican Government's interest in the democratic process that has begun in Guatemala," it was stated here by Mexican Ambassador Abraham Talavera.

He added that the parliamentary mission's aim is to "hold formal bilateral meetings with Guatemalan Congress deputies and exchange experiences."

According to Riva Palacio Lopez' statement, they also intend to "exchange ideas about international matters and a bilateral agenda."

The Mexican mission is comprised of Senators Salvador Jose Neme Castillo, Yolanda Senties Echeverria, and Alfonso Zegbe Sanen; and Deputies Jose Eduardo Beiran, Humberto Salgado Gomez, Salvador Ramos, and Graco Ramirez Abreu.

Mexican Ambassador Talavera said: "Even though my country is facing a critical economic situation and a $600-billion [as received] deficit, it has defined its policy of exerting an effort to support brother countries like Guatemala."

"Guatemala will continue to benefit from the supply of Mexican oil, according to the San Jose Agreement, just as the other Central American countries have done so to date," Talavera said.

The diplomat asserted that Mexico wishes to "establish an oil agenda with Guatemala, because there is a possibility for cooperation in the exchange of technological experience in the geothermic, mining, and oil sectors."

Talavera explained that in this way "Guatemala does not have to travel the long road of investigations. Of course, this aid would be given without conditions, because that is the characteristic of Mexico's policy that makes it different from others."

HONDURAS

LOPEZ: TERRITORY NOT AUTHORIZED FOR FOREIGN USE

PA111357 Paris AFP in Spanish 0042 GMT 11 Mar 86

[Text] Washington, 10 Mar (AFP) -- Asked about the presence of anti-Sandinist guerrillas in his country, Honduran Foreign Secretary Carlos Lopez Contreras said that "as far as possible" his government "will try to prevent any temporary occupation of its territory."

After expounding before the OAS Permanent Council on the foreign policy of President Jose Azcona's government, which was inaugurated in January, Lopez declared to the press that his country "has not authorized any government or group to use its territory."

Lopez, who said he would not meet with any administration officials during his stay here, avoided comment on recent statements by U.S. Secretary of State Caspar Weinberger [as received] to the effect that Honduras will offer the contras bases and supply lines. He said: "You should ask him about what he said."

The foreign minister referred to the length of the common border between Nicaragua and Honduras and the inability of his security forces to guard it. Press reports indicate that between 10,000 and 18,000 armed and uniformed anti-Sandinist forces are stationed in camps in Honduras.

Lopez said that "the problem affecting us in our relations with neighboring countries is that we shelter refugees" from these countries, and "it is difficult to distinguish between refugees and guerrillas."

The foreign minister asked the OAS to collaborate with Honduras by "promoting resettlement of these refugees in different countries of our vast continent." He indicated that under the protection of the UN High Commissioner for Refugees, there are 20,732 Salvadorans, 5,443 Spanish-speaking Nicaraguans, 13,963 Nicaraguans of Miskito origin, and 531 Guatemalan refugees in Honduras.

Asked about reports from Honduran coffeegrowers on the border zone giving the precise location of the camps, Lopez said that his government "has started an investigation into this matter."

Lopez again repeated, as he had said in his speech, that no foreign troops are permanently stationed in his territory and that the North American troops are only carrying out temporary exercises. Asked about the presence of some 1,200 North American troops at the Palmerola Base since 1983, Lopez replied that the soldiers are on a rotational basis.

Lopez will sign the inter-American convention on Tuesday at the OAS to prevent and punish torture.

Nicaraguan Ambassador Edgar Parrales, who said he applauded Lopez' speech "out of diplomatic courtesy," also said he observed a more "professional and diplomatic tone" in comparison with the "rough style" of the previous foreign secretary and told AFP that this "allows the belief that further improvements can be made."

He stressed that Lopez only mentioned Nicaragua explicitly when he referred to the refugees. However, without naming the country, Lopez accused Nicaragua of hindering the Contadora peace efforts because of its "refusal to establish commitments regarding democratization, disarmament, and the relaxing of alliances with extra-continental and antidemocratic powers."

Parrales said that Honduras "cannot deny its moral support for peoples struggling to achieve their true national liberation from the degradation imposed by totalitarianism," in another reference to Nicaragua that can be interpreted as an attempt to justify Honduras' support of the "contras."

Finally, noting a third implicit allusion to Nicaragua, Parrales said that his country "was the victim of terrorist actions promoted, financed, and executed with foreign aid."

Commenting on a passage in which Lopez professed to advocate the defense of international law, Parrales pointed out that the foreign secretary "failed to explain how his government will deal with the contra presence in their territory."

Finally, he said that Lopez tried "to juridically justify" the U.S. Army's presence in his country.

NICARAGUA

DELEGATION APPROVES PROTEST DOCUMENT AGAINST U.S.

PA112236 Managua Radio Sandino in Spanish 1930 GMT 11 Mar 86

[Excerpts] The National Assembly, through a series of individual votes today, has approved a document condemning the Reagan administration's campaign to obtain more aid for the Somozist counterrevolutionaries. The main section of the document, approved by majority:

1. Expresses the assembly's emphatic condemnation of President Reagan's request to the U.S. Congress to obtain $100 million for the counterrevolution and the intervention in Nicaragua's domestic affairs;

2. Makes a plea to the U.S. Congress, the world's parliaments, and all men of goodwill to oppose this new Reagan administration initiative that can mark an irreversible step in the states' commitment to a terrorist cause;

3. Reiterates the National Assembly's obligation to the Nicaraguan people and the international community to continue to discuss the draft constitution until its final approval;

4. Demands respect for international principles and the rights to nonintervention, self-determination, and the sovereignty of peoples.

Upon the approval of this document issued by the Nicaraguan parliament, and due to the importance of its content, the president of the National Assembly proposed that it not go through the normal channels, that is, through the Nicaraguan Embassy in Washington. Instead, a special legislative commission was formed to travel to the United States and personally deliver the document to U.S. congressmen. The commission is made up as follows: Mauricio Diaz, Juan Tijerino, Eduardo Molina, Adolfo Evertz, Alan Zambrana, Macario Estrada, and Carlos Cuadra -- one representative of each of the seven parties comprising the National Assembly.

WASHINGTON EMBASSY NOTES HABIB APPOINTMENT

PA110449 Managua International Service in Spanish 0000 GMT 9 Mar 86

[Text] The U.S. Government has appointed Philip Habib as the new special envoy for Central America. In this respect, the Nicaraguan Embassy in Washington warned that Habib's mission will be successful only if he honestly supports the negotiated solution proposed by the Latin American countries. The Nicaraguan diplomatic mission recalled that both Richard Stone and Harry Shlaudemann, who preceded Habib, failed in their objective because the United States insisted on its policy of fostering the bands of Somozist guards and mercenaries.

PRIESTS' ROLE IN U.S. CAMPAIGN VIEWED

PA101822 Managua Radio Sandino in Spanish 1200 GMT 10 Mar 86

[Commentary by Onofre Guevera: "Analysis of Misinformation"]

[Text] The combination of political misinformation, military aggression, and religious manipulation seldom has been as evident as now, when President Reagan is waging a rabidly anti-Nicaraguan campaign in the United States to obtain $100 million for the counterrevolutionaries.

According to what we have observed, this campaign has all the elements and resources used for distorting news, political lies, and slander. Cardinal Obando y Bravo and Bishop Pablo Antonio Vega have played an outstanding role in this campaign. Both have used important rostrums set up by the strategists of imperialist propaganda. With this, the imperialists have wanted to give their campaign a phony image of religiousness, but their arguments have been so flagrant that now the campaign to obtain more money to continue committing crimes against the Nicaraguan people looks more immoral than before.

Nothing new can be added in this regard. However, there are many reasons for commenting on the condemning the utilization of the religion factor for propaganda purposes:

1. Neither when Cardinal Obando y Bravo went to the United States, nor now that Bishop Vega has gone to that country, was their presence there required for religious reasons.

2. The places they visited, the persons with whom they spoke, and the statements they made had absolutely political characteristics.

3. Currently there is no religious activity going on in the United States. There is a political campaign that grossly misinforms regarding the true Nicaraguan situation.

4. The objective of this campaign is not only to lie about our true situation but to use lies to fool the U.S. people and pressure Congress to give more aid to organizations killing our people.

5. If the discussions among U.S. politicians on how to help the counterrevolutionaries are aimed at maintaining the war against Nicaragua, then why do these gentlemen who are proposing themselves as mediators for reconciliation have to pitch in for war?

6. The fact that they went to Washington to speak in favor of those seeking more dollars to maintain the war means they no longer want mediation in favor of peace but the promotion of war.

7. The fact that Vega has issued false testimonty on the revolutionary government's alleged responsibility in the deaths of three priests not only represents a violation of his sacred vows, but also -- and primarily -- a well-calculated argument based on the reachings of Hitler's best propaganda man: Lie a lot so that something is believed.

8. Vega has resorted to the dirtiest methods of political propaganda and misinformation, forgetting the commandment not to lie and not to give false testimony. These actions make him a tool of imperialist propaganda, not a Christian pastor.

What is happening now with Pablo Vega's slander is part of the ideological and political struggle that has always occurred between exploiters and the exploited. The only difference is that now this struggle has been modernized with the use of the electronic media and the most advanced techniques. However, in the end of the struggle -- even in its symbolic aspects -- is the same. The struggle that the dominant classes of the past waged against people had its symbol in the military, the landowners, and the privileged priest. The same thing is also happening now, only in the somewhat more modern fashion: There is the war, the capitalists, and the privileged priests. Some priests have not changed their message of domination, much less their ally.

VEGA U.S. VISIT TO AFFECT CHURCH'S CREDIBILITY

PA101933 Managua BARRICADA in Spanish 7 Mar 86 pp 1, 4

[Editorial: "A $100-Million Bishop"]

[Text] In September of last year Monsignor Pablo Antonio Vega was asked in Bonn, FRG, to give his opinion on the Yankee financing for the Somozist mercenaries. He said: "A people who do not believe that their civil and social rights are guaranteed also have the right to seek help wherever they can."

Yesterday, in Washington, Bishop Vega personally made his own contribution to the efforts to obtain "aid" by appearing along with mercenary chieftains Adolofo Calero, former National Guard Colonel Enrique Bermudez, and Arturo Cruz during a political event that was totally alien to his mission as a pastor.

The prelate from Chontales, who is already famous for his unintelligible language, spoke clearly this time, raising serious, slanderous charges against the revolutionary government. However, the fact that he was present there blessing is true "black mass" organized by the CIA to whitewash the image of the criminals speaks for itself.

Msgr Vega has taken a step that infuriates and offends the mothers of thousands of victims murdered by the Somozist counterrevolutionaries. This was a biased, partisan political step favoring more deaths and crimes against our people and that dangerously and barefacedly implicates the Catholic Church hierarchy with traitors who have sold out to the Yankee superpower for $100 million.

Has the church by any chance decided to absolutely forsake dialogue with the Nicaraguan Government and fully devote itself to talks with the mercenary puppets who have been defeated by the people? Or do they believe, perhaps, that the $100 million will save the contras from total defeat?

Be it as it may, Msgr Vega has made a very serious mistake that will have incalculable on the credibility of the Catholic hierarchy in Nicaragua.

At least Nicaraguan Christians will know exactly what the bishops seek when they talk about "dialogue and national reconciliation": $100 million for Calero, Bermudez, Cruz, and their mercenary forces.

Only God knows if the people will ever forgive them.

Accused of Slander, Libel

PA101621 Managua Radio Sandino in Spanish 1930 GMT 7 Mar 86

[Excerpts] Attorney Adolfo Miranda Saenz said today that Monsignor Pablo Antonio Vega could and should be tried under the country's criminal laws for the crimes of slander and libel and for threatening state security. Miranda said that Vega's statement in Washington that the government killed three priests shows the path of lies that the top [church] hierarchy is following, in keeping with the U.S. Administration's game.

Msgr Pablo Antonio Vega has lied to give Reagan another argument to help him obtain economic aid for the contras at the U.S. Congress, said Miranda. In Nicaragua, the attorney added, everyone knows that priests have not been killed even in traffic accidents.

Vega will have to reveal the names of the priests killed, and in order to do that he will have to invent another lie.

Miranda said that it is clearer today that the Catholic Church hierarchy has lost its prestige among the people and that it will never be able to obtain the mediator role because, politically speaking, the partiality shown toward the contras in the past few days by Vega and Obando y Brono is evident to all.

Miranda called on other Nicaraguan bishops not to follow the example set by Vega and Obando y Brovo.

[Begin recording] Well, first there is a crime of slander. In addition, there is the crime of libel, which is not the same as slander. Libel is a serious offense. Sometimes, both occur simultaneously. Therefore, given that Msgr Vega expressed slanderous statements against the state, the FSLN, and its authorities, the slandered legal institution can also charge him before common courts for the crime of libel. In this case we have two crimes: slander and libel. Furthermore, Msgr Pablo Antonio Vega's statements constitute a threat to the nation's security. It could be that he also committed the crime of threatening state security. Therefore, in this case the public prosecutor's office would have to take the initiative to press criminal charges. [end recording]

Meanwhile, Reinaldo Antonio Tefel, director-minister of the Nicaraguan Social Security and Welfare Institute, Inssbi, described the statements made in the United States by Msgr Pablo Antonio Vega, bishop of Chontales, that three priests were killed in Nicaragua as indignant and shameless. Tefel, who is a well-known Catholic, said that statements by both Cardinal Obando y Bravo and Bishop Vega show their direct ties with the U.S. Administration.

[Begin recording] Well, as a Catholic I am ashamed and saddened because there is a bishop who can lie in such a blatant manner as Mgsr Pablo Vega; it is really shameful. How can he claim that three priests were murdered in Nicaragua when the murder of only one would have brought about a scandal not only at the national level, but also at the international level? In fact, no bishop, the Episcopal Conference, the Vatican, or anyone for that matter, would have remained silent if that were true.

First, there is no religious persecution in Nicaragua. Quite the contrary, there is great respect for religion. This is the only revolution in the history of all revolutions that has welcomed the participation of Christians. [end recording]

BAYARDO ARCE MEETS WITH JARUZELSKI IN MOSCOW

PA071912 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 Mar 86

[Excerpt] Commander of the Revolution Bayardo Arce, who headed the FSLN delegation to the CPSU Congress, has placed a wreath at the mausoleum to Lenin, the founder of the Soviet state. He has also met with political and government leaders present in Moscow, including General Wojciech Jaruzelski, secretary general of the United Workers Party, who ratified his solidarity with the Sandinist people's revolution.

Returns From USSR

PA111736 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Mar 86

[Text] The Nicaraguan delegation to the 27th CPSU Congress, which was headed by Commander of the Revolution Bayardo Arce Castano, returned today. The leader relayed the solidarity of the peoples of the world with Latin America and particularly with Nicaragua at a time when the United States is stepping up its warmongering policy.

Commander Arce arrived in the morning and was received at the air terminal by Commander of the Revolution Henry Ruiz. He made the following remarks regarding the results of the CPSU Congress and its impact on Latin America:

[Begin recording] A number of scientific-technical development goals were set. This will improve the standard of living of the Soviet people and, because of the Soviet policy of cooperation with the Third World, it will also have an impact on countries like ours, which receive solidaristic cooperation from the Soviet Union.

In addition, they have made a peace proposal for the next 15 years. If they succeed in getting the United States to undertake and accept this proposal, this could be the harbinger of a year 2000 without nuclear weapons and, in this sense, with peace conditions to work for the benefit of the Third World because the idea is that all resources being devoted to the nuclear armament, to the arms race, be devoted to the development of the [word indistinct] peoples. [end recording]

MONGE CALLS BORDER COMMISSION SOVEREIGN DECISION

PA120440 Managua Domestic Service in Spanish 0303 GMT 12 Mar 86

[Text] San Jose, Costa Rica -- Costa Rica and Nicaragua will establish a vigilance commission at the common border, as this is a sovereign decision, even if the United States does not like it, President Luis Alberto Monge has said in San Jose. Monge referred to press reports that Washington officials expressed disagreement with the creation of the commission and were reportedly pressuring Costa Rica to change its decision.

Although Monge denied that there have been pressures in this sense, he said that the commission will be installed even if it displeases the Reagan administration. Monge stressed: I am sorry, but this time, as on many other occasions, it is a Costa Rican sovereign decision.

SEARCH OF DIPLOMATS' LUGGAGE PROTESTED

PA110037 Managua Domestic Service in Spanish 0300 GMT 8 Mar 86

[Text] San Jose, Costa Rica -- The Nicaraguan Embassy in Costa Rica today denounced an attempt to violate international law by security members at the Juan Santamaria International Airport, where incidents against Nicaraguan diplomatic personnel may provoke a conflict.

It is stated in a note from Ambassador Leonor Arguello to the Foreign Ministry in San Jose that on 5 and 6 March the airport authorities wanted embassy officials to open their suitcases, which are protected by diplomatic privilege. The protest note adds: The authorities said they did not care about the privileges and it was useless for the diplomats to call the Foreign Ministry, because they took orders from no one.

Nevertheless they were finally allowed to leave the country, but, given that diplomatic mail goes through that airport regularly, Ambassador Arguello asked the Foreign Ministry to adopt a decision and prevent having to face these problems each time diplomatic personnel arrive or depart.

Meanwhile, the Central American Human Rights Commission has warned that it has received a large number of reports on the arrest and confiscation of documents belonging to Costa Rican and foreign citizens who enter Costa Rica coming from Nicaragua.

COMMUNIQUE ANNOUNCES DANIEL ORTEGA'S RETURN

PA112013 Managua Radio Sandino in Spanish 1930 GMT 11 Mar 86

[Communique No 8 issued by the Presidency's Directorate of Information and Press on 11 March -- read by announcer]

[Text] The Directorate of Information and Press of the Presidency of the Republic reports to the Nicaraguan people that the president of the Republic, Commander of the Revolution Daniel Ortega Saavedra, returned to the country this morning, thus assuming the duties that correspond to his high position.

CHIEF OF CUBAN MILITARY ADVISERS OCHOA DEPARTS

PA111734 Panama City ACAN in Spanish 0150 GMT 11 Mar 86

[Text] Managua, 10 Mar (ACAN-EFE) -- Major General Arnaldo Ochoa, who was in charge here of the group of Cuban military advisers, has been relieved by General Nestor Lopez, the Nicaraguan Defense Ministry reported today. The source says that General Ochoa, of the Cuban Armed Forces, left yesterday for Cuba after working in Nicaragua for several years.

Last Saturday an official ceremony was held during which the Sandinist government gave recognition for the work done by Ochoa at the head of the Cuban military experts. During the official ceremony, Ochoa was decorated and granted awards by the government and the Sandinist People's Army, the Defense Ministry added.

The decorations were presented to Gen Ochoa by Acting President Sergio Ramirez, Defense Minister and chief of the Sandinist Armed Forces Humberto Ortega, and Acting Interior Minister Luis Carrion. The ceremony was held at the auditorium of the "Carlos Aguero" military school.

CUBAN JOINT COMMISSION OPENS SESSION IN MANAGUA

Ruiz Notes Cuban Support

PA112021 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Mar 86

[Text] The seventh Cuban-Nicaraguan joint commission was installed today. The two delegations will evaluate the 1985 economic program and proposals for scientific-technical development in 1986. The work is scheduled to last from 9-20 March.

Commander of the Revolution Henry Ruiz, foreign cooperation minister, stressed the uncontitional support the Cuban people have given Nicaragua and made reference to the 1986 technical economic plan.

[Begin recording] Our balance of payments is the main tension element [tencionante] within the plan. We are trying to make joint efforts among the people, government, and the FSLN to tackle the tasks of 1986 in a more organized and therefore more efficient manner.

Within this framework, we would like to stress the significance of the economic, scientific, and technical cooperation from Cuba, the sister people of Cuba, which, to put it frankly, is also taken into consideration in the 1986 plan. [end recording]

On his part, Ernesto Menendez, minister-president of the Cuban State Committee for Economic Cooperation, again confirmed his government's support for Nicaragua:

[Begin recording] We are certain the results of our talks during these days will lead to a strengthening of our relations and that they will enable us to expand our intellectual, technical, and commercial exchanges as well as the exchange of men and women, which enlivens those exchanges. [end recording]

Foresees 'Economic Tension'

PA112009 Panama City ACAN in Spanish 2346 GMT 9 Mar 86

[Text] Managua, 9 Mar (ACAN-EFE) -- Commander Henry Ruiz, minister of foreign cooperation, admitted today that 1986 will be "characterized by high economic tension." The official said that the main source of tension will be the balance of payments, but did not elaborate.

Ruiz delivered a speech this afternoon within the framework of the opening of the seventh session of the Cuban-Nicaraguan Intergovernmental Commission for Scientific-Technical Cooperation. He said that in view of the fact that this is a year of "high economic tension," collective efforts are being made to undertake the tasks in 1986 in a more organized and efficient manner.

The minister said that during 1985 the government devoted 25 percent of the gross internal product, 50 percent of the national budget, 50 percent of the domestic production, and 20 percent of the economically active male population to the revolution's military defense.

He noted that an economy of this type must take into consideration all possibilities of foreign cooperation in the world to confront the situation. In this respect, he said that the scientific-technical cooperation that Cuba renders to Nicaragua is already accounted for in the 1986 economic plan.

Ruiz said that this year the government is promoting a program whose salient features are aimed at reinvigorating the production aspect of the national economy as well as financial and monetary relations, noting that this is a people's democratic and anti-imperialist revolution.

Ruiz spoke the same day that the Sandinist government decreed a second wage increase as well as increases in the prices of agricultural, livestock, and industrial products; electricity and water rates; and transportation fares.

NEW STAPLE PRICES, SALARIES DECLARED EFFECTIVE

PA091446 Managua Radio Sandino in Spanish 1300 GMT 9 Mar 86

[Text] The new prices and salaries that have been decreed effective today by the revolutionary government fall within the framework of the technical-economic plan for 1986 and are aimed at returning to production levels required by our country to continue supporting military defense efforts and buttressing the only solution to the economic crisis, inflation, and backwardness, which is to increase production and the productivity of labor. The communique from the Presidency of the Republic reads as folows:

The Information and Press Directorate of the Presidency of the Republic reports the following to the Nicaraguan people:

1. Starting in 1985, the heroic Nicaraguan people have been engaged in a continuing victorious military offensive and making a decisive effort to bolster production, the physical basis of defense. This effort has also been aimed at checking the economic crisis resulting from imperialist aggression, the international crisis, and economic imbalances resulting from both, as well as ensuring a minimum living standard for the population. This great popular mobilization, in which the mobilization and initiative displayed by the masses has been decisive, has resulted in the initiation of a process of strategic defeat of the counterrevolution.

However, in order to consolidate the total defeat of the mercenary forces in 1986, it is necessary to not only make an extra effort in military defense but also in the defense of the economy for the country's physical survival. These victorious military results have allowed us -- within the framework of the technical-economic plan for 1986 -- to make an effort to return to production levels required by the country to continue supporting military defense efforts and buttressing the only solution to the economic crisis, inflation, and backwardness, which is an increase in production and the productivity of labor.

2. In this regard, during 1986 the revolutionary government will continue implementing policies aimed at encouraging production, which were announced in 1985. Its overall objectives are as follows: to support the revolution's military defense; to defend and encourage physical production; to check the financial imbalances regarding physical production to control inflation, eliminate subsidies, and rationalize public spending, investments, and the credit and exchange policies; to check and reduce speculative trade; to redistribute income for the benefit of salary earners; to guarantee a single and coherent administration; to increase the efficiency of economic efforts; and to increase the productivity of labor.

3. The revolutionary government has decided to establish a series of new prices and new measures regarding salaries to continue advancing toward the achievements of these objectives and to continue enforcing the salary, exchange, and credit policies implemented during January and February.

It has taken into account the real costs of production of a number of goods and services in its efforts to continue to check the economic crisis and inflation -- which would grow if subsidies are increased -- and protecting the standard of living of workers.

PARLIAMENTARIAN ON 3-7 APRIL MEETING IN GUATEMALA

PA101721 Managua Radio Sandino in Spanish 1930 GMT 7 Mar 86

[Excerpts] Parliamentarian Angela Rosa Acevedo said that Nicaragua will ask the Latin American parliaments to express their opposition to the aggression policy implemented by the U.S. Administration against Nicaragua. The Sandinist leader said the meeting that will take place from 3-7 April in Guatemala is very important for our country because it takes place at a time when the Reagan administration is stepping up interventionist measures against our country.

The Nicaraguan delegation that will travel to this meeting will be headed by Commander Carlos Nunez, National Assembly president and FSLN National Directorate member. He will be accompanied by Mauricio Diaz, of the Popular Social Christian Party, and Dr Rafael Cordova Rivas, coordinator of the Democratic Conservative Party of Nicaragua, among others.

The criteria of the Sandinist parliamentarian for this important meeting follows:

[Begin recording] [Acevedo] The Latin American parliaments will meet from 3-5 April in Guatemala. We all know that Cuba and Nicaragua are relatively new members in this forum. This takes place at a time when the crisis in Central America is intensifying due to the debate taking place in the U.S. Congress over the $100 million to be used to step up the war against our country.

The Latin American parliaments will meet to discuss democracy and peace. In our case, given that we are suffering from the U.S. war, this forum acquires a vital importance. This is our opportunity to have the Latin American parliaments express their rejection of U.S. behavior and the $100 million and to note the illegality of a congressional debate over funds to wage a war against a small country without having declared a war. It is also an opportunity to have the parliaments voice support for peace actions already supported by eight Latin American countries and most countries in the world. I am referring to the Caraballeda document that was recently signed by eight Latin American countries expressing the willingness to Latin America [words indistinct] to defend the conflict as Latin Americans and to urge the sides involved to reach a negotiated solution.

[Unidentified reporter] Is there any relationship between this meeting and the IPU meeting that will take place from 7-9 April in Mexico?

[Acevedo] There is no doubt that the IPU meeting that will take place in Mexico is also vitally important to us, because the two regular April commission sessions, which are the meetings of the disarmament and economic commissions, will take place. In addition, world political problems will be discussed.

In the focus on the world's tensions, the Contadora Group efforts will also be discussed within the disarmament commission. Therefore, this meeting will have ties to the Latin American meeting because the positions assumed by Latin America in its own forum will be taken by union members to the IPU floor where its 23 member-parliaments will meet. [end recording]

COSEP LEADERS REQUEST DEFENSE FROM 'FREE COUNTRIES'

PA060127 Managua Radio Sandino in Spanish 1930 GMT 5 Mar 86

[Text] In a clear appeal to the United States, Higher Council of Private Enterprise [COSEP] top leaders today asked for intervention and demanded immediate defense and protection by what they called free friendly countries and democratic governments and peoples.

COSEP president Enrique Bolanos Geyer said publicly that the organization he represents is unaware of a war of aggression conducted by the U.S. Government against Nicaragua. At the same time, he said the 13,000 victims who have fallen as a direct consequence of this war are part of the government's propaganda.

Like many other prominent businessmen, Bolanos refrained from defining COSEP's position regarding the $100 million requested by President Reagan for the mercenaries. However, they did mention the patriotism of the Triple A -- Adolfo Calero, Alfonso Robelo, and Arturo Cruz -- who were recently received by Reagan as a recourse to obtain congressional approval for the aid and who were presented to the national and international press as the highest representatives of democracy in our country.

At no time did they admit the real situation confronting the country. Instead, in their analysis they used subjective reasoning against the Sandinist Government. Among the arguments used by COSEP to give credibility to its request is the famous document called Proposal to the Nicaraguan Government for a Solution to the Crisis in our Country, which, according to the COSEP, has the support of all the political parties, but which in reality has only been signed by the parties that form the Ramiro Sacasa Guerrero Democratic Coordinating Board and the Independent Liberal Party's rightist sector represented by Virgilio Godoy. This document clearly shows the treacherous objectives of COSEP and its allies, as it demands that the Sandinist Government decree a general amnesty that extends to the top counterrevolutionary leaders as well as an unconditional cease-fire.

CASTRO SUPPORTS KOREAN PENINSULA REUNIFICATION

PA111958 Havana International Service in Spanish 1600 GMT 10 Mar 86

[Text] During his talks with Kim Il-song in Pyongyang, President Fidel Castro reiterated his support for the consistent policy of the DPRK in favor of the peaceful reunification of the Korean peninsula. Castro stressed that the international situation remains tense due to an increase in the arms race and the U.S. policy of intervention, aggression, and terror.

Castro said that the struggle for peace is inseparable from the battle to establish in a new world economic order and reiterated the need to consolidate the unity of action of all the peaceful forces of the world.

In turn, the Korean leader Kim Il-song condemned the U.S. aggression and threats against Cuba and advocated peace and security in the Caribbean and Central America.

The Cuban president is on an official visit in the DPRK at the invitation of Kim Il-song.

Criticizes South Korea

FL120249 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Mar 86

[Excerpt] Before departing from the DPRK, Fidel Castro and DPRK President Kim Il-song attended a ceremony that was also attended by thousands of people in Pyongyang. The president criticized the intentions of holding the 1988 Olympics in Seoul and said this is a new attempt to perpetuate Korea's division. Castro also said that this is a new and repugnant demonstration of the capitalist spirit [espiritu de mercantilismo] and reactionary manipulations that currently prevail in the Olympic movement.

Seoul, he added, is a city of U.S. brothels, games, drugs, and soldiers who are corrupt and transmit AIDS. No honest person, said Castro, can deny the reality that the ideal conditions for those Olympics exist in the DPRK and not in that other part of Korea, which has submitted to militarism and foreign intervention, as well as the headquarters for a genocidal government and U.S. base full of nuclear weapons. Cuba and the DPRK have united in this just and necessary battle, stressed Castro. Our country will not spare its strength in criticizing this maneuver and defending the legitimate right of all the Korean people to share these games in a climate of unity and national dignity, he said.

Castro, Delegation Depart

FL111412 Havana Tele-Rebelde Network in Spanish 1202 GMT 11 Mar 86

[Text] Pyongyang — The first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, Fidel Castro, departed today from the DPRK, where he paid a visit described as historic.

Fidel, who had arrived in Pyongyang on 8 March at the head of a delegation of the party and Cuban Government, was seen off at the capital airport by Kim Il-song, secretary general of the Korean Workers' Party and president of the Democratic People's Republic of Korea. Other top political and state leaders and thousands of residents of the capital went to the airport and made the departure into a replay of the massive reception given Fidel 4 days earlier, which was considered unprecedented in the history of the country.

During their stay in the Democratic People's Republic of Korea, Fidel and the persons accompanying him held conversations with Korea's leader Kim Il-song and other high Korean officials, and visited sites of economic, historical, and social importance.

Today, Commander in Chief Fidel Castro thanked democratic Korea for granting very favorable credits for supplying Cuba with 100,000 rifles and tens of millions of bullets needed to strengthen our country's defenses.

Before more than 10,000 Pyongyang residents who filled the Sports Palace, the first secretary of the Communist Party of Cuba stressed the identical opinions of the two countries, expressed during official conversations.

The president of the Councils of State and Ministers emphasized the fact that there is only one Korea and ratified unlimited Cuban support for the reunification of the Korean homeland.

The Cuban leader rejected the accusation made against Cuba and democratic Korea that both promote conflicts. Speaking of the situation in Africa, Fidel reiterated that the day following the disappearance of apartheid, the withdrawal of the Cuban combatants from Angola will begin.

In addition to supporting the right of Democratic Korea to cosponsor the Olympic games in Seoul, the Cuban president stressed the fact that Pyongyang has better installations and described the admirable characteristics of the inhabitants of Democratic Korea, which he termed immune to the vices of capitalism.

A few hours after they leave this country, all the members of the Cuban delegation will become spokesmen of the achievements of the Korean revolution and of the talents of the leaders, the top Cuban leader concluded.

Arrive in Moscow

FL120046 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Mar 86

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Communist Party of Cuba and president of the Councils of State and Ministers, has returned to Moscow after an official 3-day visit to the DPRK. Castro was invited by Kim Il-song, secretary general of the Korean Workers Party and DPRK president.

At the Moscow airport, Castro was met by Eduard Shevardnadze, CPSU Politburo member and foreign minister, and Boris Yeltsin, Politburo candidate member and first secretary of the CPSU Urban Committee in Moscow, as well as other high-level Soviet leaders.

Traveling with Castro is the delegation that accompanied him to the DPRK: Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and ministers, and Jorge Risquet, Politburo and Secretariat member.

Also accompanying Castro is Division General Senen Casas Regueiro, alternate Politburo member and first substitute of the FAR, and Lionel Soto, Secretariat member and Cuban ambassador to the USSR.

Korean Reportage

For Pyongyang Domestic Service & KCNA coverage of the visit by Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, to the DPRK, including talks with Kim Il-song, general secretary of the Worker's Party of Korea and DPRK president, see the North Korea section of the 10 March Asia & Pacific DAILY REPORT and subsequent issues.

CHIEF MILITARY ADVISER IN NICARAGUA REPLACED

FL110346 Mexico City NOTIMEX in Spanish 0315 GMT 11 Mar 86

[By Jesus Guevara Morin]

[Text] Managua, 10 March (NOTIMEX) -- It was officially reported here today that the Cuban Government has named Brigadier General Nestor Lopez as the new chief of Cuban military advisers in Nicaragua, replaceing division General Arnoldo Ochoa, who returned to Cuba on Sunday.

The day before he returned to Havana, Arnoldo Ochoa was praised in Managua by the Sandinist government and Army and received decorations and distinctions for his work in Nicaragua. The ceremony was presided over by Nicaraguan Vice President Sergio Ramirez and Defense Minister Humberto Ortega.

It is estimated that the number of Cuban military advisers in Nicaragua exceeds 300, but the Nicaraguan Government has reiterated that it will eliminate foreign military groups when other Central American nations simultaneously do the same.

In support of the Contadora Group document, the Nicaraguan Government unilaterally retired 100 Cuban military advisers in mid-1985, even though this action was not shared by other area governments. Shortly before returning to Cuba, the 100 Cuban advisers expressed their willingness to return to Nicaragua if their presence was necessary because of the aggravated situation.

During the recently concluded Third Communist Party of Cuba Congress, it was agreed to increase aid to Nicaragua if the U.S. Government increased support to the Nicaraguan counterrevolutionaries.

CEMA COMMUNICATIONS MEETING HELD IN HAVANA

FL111916 Havana Television Service in Spanish 1800 GMT 11 Mar 86

[Text] The 13th meeting of heads of scientific organizations that collaborate with CEMA member-countries in the field of communications is meeting from 9 to 12 March in our capital. Bulgaria, Cuba, Czechoslovakia, Hungary, Poland, the GDR, Romania, the USSR, and Vietnam are participating in the meeting.

Among the main points to be debated are the development of communications sytems used with artificial earth satellites, and the creation of an optical system for the transmission of information.

The working agenda includes the development of communication networks of the complex interconnected automatic type.

The meeting will conclude on 12 March with the signing of a working protocol that includes the nine participating countries.

RAUL CASTRO MEETS WITH HUNGARIAN MINISTER

FL071847 Havana Television Service in Spanish 1800 GMT 7 Mar 86

[Text] Communist Party of Cuba Second Secretary and First Vice President of the Councils of State and Ministers, Army General Raul Castro, had met with Peter Varkonyi, Hungarian People's Republic foreign minister and Hungarian Socialist Worker's Party Central Committee member. During the meeting, which was held in a cordial atmosphere, the two sides agreed on views regarding the most important international matters, and the positive course of bilateral relations between Cuba and Hungary were emphasized.

Varkonyi Departs

FL072230 Havana Radio Reloj Network in Spanish 2144 GMT 7 Mar 86

[Text] Isidoro Malmierca, Cuban foreign minister, has accompanied his Hungarian counterpart Peter Varkonyi, who is returning to his country, to the airport.

Also accompanying Varkonyi to the airport were Jose Raul Viera Linares, first vice minister of foreign relations, Euclides Vazquez Candela, and Istvan Boonar, Cuban and Hungarian ambassadors, respectively.

SOVIET TRADE UNION DELEGATION ARRIVES FOR VISIT

FL101516 Havana Tele-Rebelde Network in Spanish 1202 GMT 10 Mar 86

[Text] A delegation from the USSR's All-Union Central Council of Trade Unions, headed by Vladimir Sergeyev, chief of Relations with Trade Unions in Socialist Countries Department, has arrive in our country on a working visit.

Jesus Escandel Romero, member of the Secretariat of the Central Organization of Cuban Trade Unions [CTC], met the delegation at the airport.

[Begin unidentified speaker recording] In the first place, we have arrived in Cuba in response to an invitation from the CTC to discuss with CTC comrades and leaders our bilateral plan for cooperation between Soviet and Cuban trade unions in the year 1986. In the first place, we would like to discuss the exchange program between factories and enterprises and the exchange of delegations from various departments of our trade union organizations and associated trade unions. [End recording]

HENK HERRENBERG APPOINTED FOREIGN MINISTER

PA062219 Paris AFP in Spanish 2114 GMT 6 Mar 86

[Text] Georgetown, 6 Mar (AFP) -- Henk Herrenberg, Surinamese ambassador to Guyana, was appointed foreign minister of his country to replace Tjon Kie Sim, who "either resigned or was dismissed" a week ago, reliable sources reported here. Unofficial sources in the capital of Suriname said that Tjon Kie Sim was dismissed because of disagreements with Colonel Desi Bouterse, commander in chief of the national Army of Suriname. Tjon Kie Sim was to have gone to Guyana a few days ago, but his visit was cancelled.

FISHERIES AGREEMENT WITH VENEZUELA SIGNED

FL110236 Bridgetown CANA in English 2136 GMT 10 Mar 86

[Text] Paramaribo, Suriname, March 10, CANA -- Suriname and Venezuela have concluded negotiations on a fisheries agreement between the two South American countries. The agreement was finalised when a five-man delegation from Suriname headed by Ambassador Henk Heidweiller visited the Venezuelan capital during the last week of February. It permits 100 fishing boats and 10 shrimping trawlers from Venezuela to fish in Suriname's 200 nautical mile maritime zone. Officials here said, however, that it does not allow the Venezuelans to work near the coast -- an area reserved for Suriname's small fishermen. Venezuelan fishermen will be required to bring their total catch to port Paramaribo and will be allowed to sell a part of it to the government. The agreement also makes provisions for the training of Surinamese fishermen.

SOUTH KOREA TO PROVIDE $3-MILLION CREDIT

FL112038 Bridgetown CANA in English 2012 GMT 11 Mar 86

[Text] Paramaribo, Suriname, March 11, CANA -- South Korea is to provide Suriname with goods worth three million dollars (U.S.) under a line of credit agreement just signed here. The agreement falls under a 1982 bilateral treaty, through which a joint Suriname-Korea commission met in May last year to deal with the new credit line. The central bank of Suriname and the Exim Bank of Korea were appointed by their respective governments to conduct further negotiation which culminated with the signing here. It was not clear what the money would be used for.

PRIME MINISTER SIGNS IDB LOAN FOR EDUCATION

FL110240 Bridgetown CANA in English 2236 GMT 10 Mar 86

[Text] Paramaribo, Suriname, March 10, CANA -- Suriname's Prime Minister Wim Udenhout has signed a more than 24 million guilder (one U.S. dollar -- 1.80 guilders) loan package with the Inter-American Development Bank (IDB) for bolstering education and industrial development. The signing took place in Washington and President of the IDB Antonio Ortiz-Mena signed on behalf of the institution. The total cost of the project which is aimed at improving the quality of primary education in the country is about 18 million guilders of which the IDB contributes approximately 14.1 million guilders. This loan was granted to Suriname on soft terms. Last month the IBD's Board of Directors approved the industry-credit programme of the National Development Bank of Suriname (NOB). The total investment of this programme is 18 million guilders of which the IDB contributes roughly 10.8 million guilders. The IDB has also approved 350,000 guilders in technical assistance to the NOB to bring the quality of formulating projects and investment-analyses to international levels.

DOMINICAN REPUBLIC

PANAMA'S ESQUIVEL RAPS U.S. CONTADORA STAND

PA101949 Madrid EFE in Spanish 1500 GMT 9 Mar 86

[Text] Santo Domingo, 9 Mar (EFE) -- Panamanian Vice President Roderick Esquivel has criticized the U.S. Government of its stand on the Contadora Group's peace-keeping efforts. Esquivel, president of the Liberal Party of Panama, said that the U.S. stand toward the Contadora Group is not the most appropriate. He urged that the Contadora Group be given all the support it needs to secure peace in Central America, and affirmed that the initiative now has the support of Peru, Ecuador, Bolivia, Uruguay, and the Dominican Republic. Esquivel considered such conduct a demonstration that the Contadora Group deserves support, but deplored the attitude of the United States which, he said, was contrary to such a spirit. He said that an example that the U.S. Government is mistaken in regard to Central America is that the U.S. Congress rejected its request for $100 million in aid to the Nicaraguan counterrevolutionaries. He praised the decision of the U.S. congressmen "because with it they render more strength to the principle of self-determination of the Latin American peoples." He said he hopes that peace in Central America will emerge from the Contadora Group through civilized dialogue between the parties concerned. Esquivel arrived in the Dominican Republic at the invitation of the Structure Party [Partido la Estructura], a member of the Liberal International founded 4 years ago and which today is the 4th political force within the group of 14 political parties.

GUYANA

NATIONAL ASSEMBLY APPROVES 1986 BUDGET

FL111740 Bridgetown CANA in English 1604 GMT 11 Mar 86

[Text] Georgetown, Guyana March 11, CANA -- With the main opposition People's Progressive Party (PPP) abstaining, the Guyana National Assembly (parliament) last night approved the government's 1.9 billion dollar (one Guy dollar; 24 cents U.S.) budget for the 1986 financial year. The package, presented February 28 by Finance Minister Carl Greenidge, came in for much criticism from parliamentarians of the Marxist PPP who questioned its usefulness in tackling Guyana's severe economic problems. Winding up the debate, Prime Minister Hamilton Green said the budget was a practical programme, highlighting exciting areas of growth in several sectos -- including mining -- in the face of difficult circumstances and in a hostile world environment. Every plan and programme advocated by the government has as its rationale the well-being of the country, he said.

Opposition Party Critical

FL112252 Bridgetown CANA in English 2357 GMT 10 Mar 86

[Excerpt] Georgetown, Guyana, March 10, CANA -- The opposition Peoples Progressive Party (PPP) has described government's 1986 budgetary measures as a coalpot budget with wrong priorities. Upon which sector are we depending for the economic turn around? opposition parliamentarian Clinton Collymore said. On debt payments? On security? Or on agriculture? If it is not on agriculture as all government ministers have been saying, then why is agriculture bringing third place? Your priorities are all wrong, he added. The PPP parliamentarian criticised the budget, the economy, and prospects for the future under the incompetent PNC (Peoples National Congress).

FBIS

DAILY REPORT

CONTENTS

Latin America

Vol VI No 049 13 March 1986

ARGENTINA

Further Official Reaction to CGT Strike Plan B 1
    Alfonsin Vows 'Different Ending' B 1
    Sourrouille Reaffirms Strategy B 1
Price Hikes Announced for Staple Products B 2
TELAM Building Shot at in Buenos Aires B 2
Building Bombed at La Plata University B 2
IMF Approves 20 February Letter of Intent B 2

BRAZIL

Changes to Decree-Law on Economic Measures D 1
    [O ESTADO DE SAO PAULO 6 Mar]

CHILE

Officials Respond to U.S. Call for Condemnation E 1
    Cuadra Defends Rights Policy E 1
    'Illegal Actions' Cited E 1
    Del Valle Raps Mexico E 2
    U.S. Policy Change Noted E 3
    Del Valle on 'Information Errors' E 3
Sabotage Causes Power Outage in Central Region E 4
    FPMR Claims Responsibility E 4
7 Bomb Attacks Reported Around Santiago E 5
Pinochet, Archbishop Discuss Pope's Visit E 5
Bail Set for Opposition Activist Palma E 5
Pinochet Says Arms Available for Export Sales E 6
HOY Examines Philippine, Haitian Revolts [3-4 Mar] E 6
Briefs: New Brigade Commander E 7

COLOMBIA

ELN Sets Fire to Helicopter, Kidnaps FRG Engineer F 1
    American Abducted F 1
Quintin Lame Group Breaks Away From M-19 F 1
    [EL SIGLO 7 Mar]

ECUADOR

Government Regroups After Vargas Incident G 1
    President Denies Negotiating G 1
    'Ordinary Court' To Convene G 1
    Pineiros 'On Leave' G 2
    Adviser Defends Pineiros G 3
Briefs: Refinancing Agreement With Switzerland G 3

PARAGUAY

EL PUEBLO Criticizes Reagan's Foreign Policy [26 Feb] H 1
'Voice of Colorado' Criticizes Ambassador Taylor H 2
    PATRIA Scores Ambassador [12 Mar] H 3
Ambassador to FRG Criticizes Reporters H 4

URUGUAY

Nationwide Strike Begins; Wage Increase Demanded K 1
    Minister Sees No Point K 2

MEXICO

Agreement Reached on Meetings With Guatemala M 1
    First Meeting in Mexico M 1
    C.A. Peace First Topic M 1
Silva Herzog Discusses Debt With Baker, Volcker [EXCELSIOR 8 Mar] M 1
Silva Herzog Asks Creditors for 'New Outlook' M 2

PANAMA

Conato National Strike Continues in Capital N 1
    CONEP Issues Communique N 1
    Industrial Sector at 'Standstill' N 2
    Italian Ship Supplying Fuel N 2
    Delvalle on Economic Package N 3
    Refinery Union Leaders Arrested N 4
    Government To Guarantee Fuel N 4
    Ministers Deny Foreign Pressure N 5

CENTRAL AMERICA

COSTA RICA

Arias, Monge Invited to Regional Leaders' Meeting P 1
Monge on Nicaraguan Leaders' 'Intransigence' P 2
Arias Satisfied With Habib Appointment P 2

EL SALVADOR

Businessmen Criticize Duarte 'Smokescreens' P 3
MNR's Ungo Terms Duarte Proposal 'Madness' P 4
FMLN Further Criticizes Duarte Dialogue Proposal [Venceremos] P 5
International Doctors' Group Members Released [Venceremos] P 7
FMLN Orders Transportation Stoppage 10 March [Venceremos] P 8

HONDURAS

Commentary Views Contra Aid Controversy P 8

NICARAGUA

Ortega Calls Congress Debates 'Immoral, Illegal' P 10
Officials Travel to San Jose for Border Talks P 11
State Secrets Bill Sent to Assembly Commission P 11
PLI 'Not Invited' to Constitutional Debates [ACAN] P 11
PSC Opposes Foreign Intervention, Contra Aid P 12
UNO Warns Against Aggression Toward Cardinal [San Jose Radio Reloj] P 12

CUBA

Castro, Gorbachev Hold Cordial Meeting in Moscow Q 1
Castro, Kim Il-song Sign Cooperation Treaty Q 1
Castro Thanks Kim Il-song for Hospitality Q 1
Soviet Delegation Meets With CTC Leaders Q 1
Nicaragua Signs 1986 Cooperation Agreement Q 2
Argentina, Cuba Sign Maritime Agreement Q 2
International Sugar Conference Opens in Havana Q 2
Religious Affairs Official on Ecclesiastic Meeting Q 2

FURTHER OFFICIAL REACTION TO CGT STRIKE PLAN

Alfonsin Vows 'Different Ending'

PY102321 Buenos Aires Domestic Service in Spanish 1600 GMT 10 Mar 86

[Excerpt] President Raul Alfonsin today noted that the government will not maintain a passive attitude toward the general strike that has been called by the CGT [General Confederation of Labor] for 25 March. He added that this measure is like an old movie picture that everyone has seen many times, but this time it will have a different ending.

Alfonsin made this statement at the Buenos Aires metropolitan airport before departing for Bariloche where he was to open a meeting to promote the preservation of the environment. This statement confirms rumors that the government will do everything it can to undermine the planned CGT strike.

It is known that at the present time, the UCR [Radical Civic Union], as a government and as a party group, is ready to undertake several initiatives that will lead to an exchange of ideas with those who promote the need for holding the stoppage in the hope of persuading the middle class not to support the strike. Rumors state that government authorities are planning to hold meetings with officials and union members of the 62 Peronist organizations who are apparently opposed to strike and who support the negotiations with authorities to seek a solution to the salary demands and the holding of a congressional debate on the national stoppage.

Sourrouille Reaffirms Strategy

PY101538 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0015 GMT 8 Mar 86

[Text] Buenos Aires, 7 Mar (NA) -- According to reliable sources, Economy Minister Juan Sourrouille today stated to the Argentine Industrial Union [UIA] that no matter how many social pressures are exercised there will be no wage increases because "the Austral Plan is immovable." Sourrouille met at noon at the Finance Ministry with UIA President Roberto Favelevic, who was accompanied by several UIA leaders including Pedro Reyna, Jeronimo Carrillo, Gilberto Montagna, Eduardo de la Fuente, Juan Sampayo, and Miguel Saiegh.

During much of the meeting, the UIA protested the high interest rates in the market. This problem was acknowledged by Sourrouille, who said that the government is very concerned over this matter. He said that despite this concern, however, there is no way to lower them for the time being.

Asked by the UIA businessmen whether he has any disagreement with Labor and Social Security Minister Hugo Barrionuevo, Sourrouille responded that there is no disagreement, attributing reports of such a disagreement to the "journalistic species."

The UIA leaders also expressed concern over Finance Secretary Mario Brodersohn's decision not to pay the petroleum companies the debts owed by the Governmental Oil Deposits [YPF]. Sourrouille said that although this is a problem, one has to take into account the difficulties of the treasury.

The UIA leaders agreed on the impossibility of granting wage increases unless they are passed along in prices, something which is not being accepted by the economic authorities. The UIA leaders yesterday held a meeting with Barrionuevo to discuss the social truce being promoted by the government through the Labor Mnistry.

PRICE HIKES ANNOUNCED FOR STAPLE PRODUCTS

PY111259 Buenos Aires DYN in Spanish 2316 GMT 10 Mar 86

[Text] Buenos Aires, 10 Mar (DYN) -- The government today ordered increases ranging between 2.5 and 35 percent on some of the principal products of the family basket, which virtually means the end of a price freeze on general-store products. According to Resolution No 76 of the Foreign Trade Secretariat, coffee, prepared and marketed in various ways, will increase in price by 30 to 35 percent, compared to the maximum prices effective in June 1985 when the so-called "Austral Plan" was implemented. The increase in coffee price was authorized in two stages, namely a 20-percent increase effective from February and another 15-percent increase effective today.

Increases in the maximum retail prices, ranging between 2.5 and 5 percent, have been implemented for all pasta while crackers have been adjusted by 3 percent. The resolution states that the increase in the coffee price reflects increases in the world coffee price while the adjustments authorized for pasta and crackers are due to increases in some production costs.

TELAM BUILDING SHOT AT IN BUENOS AIRES

PY081702 Buenos Aires DYN in Spanish 1447 GMT 8 Mar 86

[Text] Buenos Aires, 8 Mar (DYN) -- Shots were fired early this morning at the facade of the building of the official TELAM NEWS AGENCY, located at 531 Bolivar Street in this capital. The shots, which were fired from a moving car, made holes in one of the windows of the building but there were no victims. Judge Miguel Angel Caminos is enquiring into licenses for carrying firearms and damage to the property.

BUILDING BOMBED AT LA PLATA UNIVERSITY

PY081721 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1658 GMT 8 Mar 86

[Text] Buenos Aires, 8 Mar (NA) -- A medium-strength bomb exploded at noon today in the building of the La Plata Catholic University of this capital. There were no victims, but two offices were virtually destroyed, masonry was damaged, and an elevator fell, according to reports so far. This is the second attack this month against the building. The explosion occurred onthe fifth floor of the building. It is located at the corner of Maipu and Cordoba Streets, where Dr Nicolas Argentato, the rector of the university, has his office. At the beginning of February, a group of unknown individuals forced open the entry gate of the offices, destroying the furniture inside.

IMF APPROVES 20 FEBRUARY LETTER OF INTENT

PY120128 Buenos Aires TELAM in Spanish 1944 GMT 11 Mar 86

[Text] Buenos Aires, 11 Mar (TELAM) --The Economy Ministry officially reported this afternoon that the IMF Board of Directors approved yesterday the letter of intent submitted by the Argentine Government on 20 February, in which qualtitative goals were proposed for the first quarter of 1986. The report adds that on 14 March Argentina will receive approximately $270 million as the fourth disbursement of its standby loan.

CHANGES TO DECREE-LAW ON ECONOMIC MEASURES

PY121232 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 86 p 39

[Text] The main changes to Decree-Law 2283 of 27 February, which establish the stabilization plan to drop the inflation rate to zero, are as follows:

Conversion of obligations:

The old version -- Article 9: Obligations for payments to be met in cruzeiros without a monetary correction clause contracted before this decree law will be paid in cruzados on the maturity date by dividing its value in cruzeiros by the conversion factor established in Article 8.

The new version -- Article 9: Obligations of payments to be met in cruzeiros without a monetary correction clause, or with a preestablished monetary correction clause, contracted before this decree law will be converted into cruzados on the date of payment by dividing the value in cruzeiros by the conversion factor established in Article 8.

The old version -- Article 10: Currency liabilities contracted before this date and expressed in cruzeiros with a monetary correction clause will be readjusted up to this date on the preestablished basis, and then converted into cruzados according to the rate of conversion established in Paragraph 1, Article 1, of this decree law.

The new version -- Article 10: Currency liabilities contracted before this date and expressed in cruzeiros, with a monetary correction clause, will be readjustable PRO RATA [capitalized words as published] up to this date on the preestablished basis and then converted into cruzados according to the rate of conversion established in Paragraph 1, Article 1.

Salary

The old version -- Article 23: Salaries, wages, and other remunerations in cruzados will be automatically readjusted by the accumulated Consumer Price Index [IPC] variation established by this decree law whenever this accumulated annual variation surpasses 20 percent, as of the date of the first negotiation, collective bargaining, or base-date for readjustment after the date of this decree law.

Paragraph 1. If as of this date the accumulated IPC variation exceeds 20 percent before the next negotiation, collective bargaining, or readjustment, the salary in cruzados will be readjusted accordingly and automatically. Automatic readjustments will be regarded as salary advances.

The new version -- Article 23: Salaries, wages, and other remunerations will be automatically readjusted by the accumulated IPC variation provided that this accumulation reaches 20 percent.

Paragraph 1. If as of this date the accumulated variation reaches 20 percent before the next negotiation, collective bargaining, or readjustment, the salary will be readjusted accordingly and automatically.

General Guidelines:

The old version -- Article 36, single paragraph: The freeze instituted by this article can be lifted by resolution of the executive branch, in the form established by the regulation of this decree law.

The new version -- Article 36, single paragraph: The freeze instituted by this article, at a level which for all purposes is set in the official price list, can be lifted by resolution of the executive branch in the form established by the regulation of this decree law.

Article 38: A single paragraph is included herein: Violators of the resolutions included in this decree law, in Supplementary Law No. 4 of 26 September 1962, and in Law No. 1521 of 26 December 1951 will be subjected to the loss of any fiscal incentive or of any other incentives that could have been granted to them by the federal government.

Annex II.

Calculation of salaries in cruzados for contracts concluded after September 1985.

The old version: For the calculation of the average real salary in cruzados -- including advances, bonuses, and any other similar benefits -- in individual labor contracts concluded after September 1985, multiply the current value in cruzeiros times the updating factor corresponding to the month the contract became effective. (See table, Annex III). The value to update that will result will be multiplied by the factor 0.7864. This new result will be converted into cruzados by means of the parity stipulated in Article 1, Paragraph 1.

The following is added: This formula does not apply to employers whose personnel are organized in career categories where the updating applies to their respective levels or types of salaries.

OFFICIALS RESPOND TO U.S. CALL FOR CONDEMNATION

Cauadra Defends Rights Policy

PY130219 Santiago Radio Chilena in Spanish 2300 GMT 12 Mar 86

[Excerpts] Minister Secretary General of Government Francisco Javier Cuadra today affirmed that ever since it made its declaration of principles, the regime has safeguarded human rights. He said that any assertion to the contrary is motivated by political interests. May we remind you that the U.S. Government requested today that the Chilean Government be condemned by the international community for its continuous violations of man's fundamental rights. Here is reporter Nely Yanez who will expand on the statement by the minister secretary general of government.

[Begin recording] [Yanez] For the first time since President Ronald Reagan assumed the presidency of the United States, the U.S. Government publicly denounced the violations of human rights in Chile and went so far as to ask the international community to condemn our country for a lack of respect for man's fundamental guarantees. The press dispatch, which caused an impact in political, diplomatic, and labor sectors, was discussed during the routine Cabinet meeting today in the La Moneda Palace. As the meeting ended, Minister Francisco Javier Cuadra was approached by the press.

[Cuadra] The foreign minister has spoken on that question in detail. We wanted to know what procedure the United Nations will now follow. This is the first stage of the whole procedure, and therefore all the resolutions adopted are only provisional. Our country has not yet been heard, and it has not yet assumed its defense. As a demonstration of international cooperation, we hope the United Nations will have the minimum degree of objectivity that is required in dealing with a matter such as this.

[Yanez] What can you say about the U.S. Government's statement that it has failed in its silent diplomacy with Chile?

[Cuadra] The information just arrived today, and we believe that it is a question of foreign policy. The foreign minister will address this statement at the appropriate time.

[Yanez] The journalist insisted to Minister Cuadra that many Chilean sectors contend that human rights are violated in Chile, despite the denials expressed by the government.

[Cuadra] We will always have sectors that are discontent with everything. We can only express our position on this matter and hope that it will be accepted. We believe that human rights have been faithfully respected. It should be recalled that since its declaration of principles as it came to power and throughout these years, since 1973, we have lived up to those principles. We are not worried about those people of bad faith, motivated by political interests. We are worried about the way the majority of the public has perceived the government's political position.

'Illegal Actions' Cited

PA122346 Santiago Radio Chilena Network in Spanish 2308 GMT 12 Mar 86

[Text] The Chilean delegation at the UN in Geneva has continued to respond to those who have spoken up regarding respect for human rights in Chile. The last speaker was Patricio Dam, alternate delegate before the Human Rights Commission.

Dam conditioned future Chilean cooperation and said that Chile will not accept the suggestions made by those who have no moral qualities regarding this issue. We have more details on this matter in the upcoming report by Jose Francisco Contreras. Jose Francisco, good evening, will Chile continue to cooperate in the area of human rights?

[Contreras] Good evening. What the Chilean alternate delegate before the UN Human Rights Commission said was that Chile will cooperate with the international organizations only in those areas in which these organizations are authorized to act. To further clarify the situation, Patricio Dam added that Chile will not cooperate with illegal actions to the report on human rights in Chile presented before the UN by Fernando Volio, human rights special observer, and to the draft resolution on this issue proposed by the United States. In both cases Foreign Minister Jaime del Valle said that the two overstepped their bounds.

In his speech before the Human Rights Commission in Geneva, Patricio Dam said that Chile is in the commission to cooperate with the goals of the organization; that is, to protect and promote human rights. However, Chile will never lend itself to maneuvers that are solely political. Likewise, Dam said that Chile does not accept recommendations and lessons in matters that it may consider its own responsibility. We will not take heed of suggestions made by states that lack moral authority in these areas. Without mentioning names, Dam referred to countries that have occupation troops in weaker countries, have put up walls or electric fences, or have millions of their citizens in exile.

Del Valle Raps Mexico

PA130010 Santiago Television Network in Spanish 2330 GMT 12 Mar 86

[Excerpt] The government has expressed hope that the United Nations will know how to maintain minimum objectivity in its statement on the human rights situation in Chile. At the end of a cabinet meeting, Francisco Cuadra, minister secretary general of government, remarked on the request the United States made to the international community to condemn the Chilean regime for its continuous human rights violations. Cuadra stressed that the UN's resolution is not final and that Chile will present its rebuttal in October.

Meanwhile, Foreign Minister Jaime del Valle commented on the issue, saying that the resolution presented by the United States before the UN Human Rights Commission is less condemning, milder than others. He said that the fact that Mexico is sponsoring a condemnation against Chile like this one is contradictory.

[Begin Del Valle recording] The incredible contradiction that Mexico is sponsoring a condemnation against Chile on human rights will be thought over and answered later. It shows you how serious a protest of this nature before the Human Rights Commission can be. They could have found a person [as heard] with a more valid background on this issue than Mexico. [end recording]

He indicated, however, that Chile will continue to participate in the United Nations by using its right to respond to charges. We will issue a reply. We will see if the countries accusing us act according to the evidence that will be presented, or if these are strictly political in nature. In conclusion, Del Valle said that the result of the resolution must be examined in order to decide if it is necessary to meet with the U.S. ambassador to address the matter.

U.S. Policy Change Noted

PY130009 Paris AFP in Spanish 2336 GMT 12 Mar 86

[Text] Santiago, 12 Mar (AFP) -- The United States seems to have discontinued its quiet diplomacy in its relations with the government of General Augusto Pinochet, Chilean Foreign Minister Jaime del Valle said here today. Commenting on a draft resolution unfavorable to the Chilean regime that was sponsored by the United States at the UN Human Rights Committee meeting in Geneva, Del Valle said: We will continue with our policy, and we will prove that those points are entirely wrong.

Reports received in Chile today state that the draft resolution demands that Chile end all forms of torture; that it investigate murders, kidnappings, and other human rights violations perpetrated by security forces; that culprits be punished; and that all exiles be allowed to return. Del Valle said the Foreign Ministry is preparing a reply that will be released as soon as the U.S.-sponsored resolution is discussed at the international meeting.

He recognized, however, that this more direct U.S. action represents a change in the quiet diplomacy that was until now practiced by the Reagan administration in its contacts with the Chilean military regime. The foreign minister said: It seems that way. It is something that has been noted by the public.

The debate of the human rights commission is based on the report prepared by UN special observer Fernando Volio, a former Costa Rican foreign minister, who visited Chile last December with the Chilean Government's authorization.

Del Valle on 'Information Errors'

PA130116 Santiago Television Network in Spanish 0039 GMT 13 Mar 86

[Text] Foreign Minister Jaime del Valle said today that Chile will answer a series of information errors recorded at the Human Rights Commission in Geneva opportunely.

[Begin recording] [Unidentified reporter] The secretary of state [title as heard] declined to comment on the statements made by U.S. delegate Richard Chiefter with regard to human rights in Chile. He said that the matter must not be addressed hastily and that the government will issue a reply to the unfavorable vote presented by the United States against Chile.

[Del Valle] I believe there have been a series of outright information errors, like those in which other ambassadors who spoke during this morning's meeting made. Some downright foolishnesses have been expressed by them. We will reply opportunely.

[Reporter] Meanwhile, Del Valle acknowledged that recently a change in the U.S. Government's policy toward Chile has been observed. In the past that policy was characterized by the so-called silent diplomacy. He said Chile will not modify its policy and will maintain its traditionally friendly relations with the United States.

[Del Valle] We will continue to implement our policy. We will also speak and make them see those points where we find serious mistakes and see how the U.S. Government's current policy is seriously damaging the United States' interests. [end recording]

SABOTAGE CAUSES POWER OUTAGE IN CENTRAL REGION

PY111525 Paris AFP in Spanish 1219 GMT 11 Mar 86

[Text] Santiago, 11 Mar (AFP) -- According to police reports, Santiago and a vast area of central Chile, extending some 600 km, today were without electricity due to an act of sabotage. The power outage started at 0645 (1045 GMT) and affected the area between Coquimbo in the north and Rancagua in the south. The outage in Santiago affected metropolitan railway service, hospitals, traffic lights, and main services.

According to an unofficial source, it was caused by the knocking down of a high-tension pylon in the mountain range area south of Santiago, near Puente Alto city. No organization has claimed responsibility for the attack, which followed a wave of incendiary attacks against public transport buses and dynamite explosions on the streets and in schools yesterday. Similar attacks perpetrated in the past have been claimed by the proscribed Manuel Rodriguez Patriotic Front [FPMR], which has been termed by President Augusto Pinochet's military government as the armed branch of the Communist Party.

FPMR Claims Responsibility

PY112233 Paris AFP in Spanish 1429 GMT 11 Mar 86

[Text] Santiago, 11 Mar (AFP) -- An FPMR spokesman has reported to the media that his organization is responsible for the two attacks that caused a power outage today in Santiago and a vast area of Chile. This action marks the beginning of an all-out campaign which will continue until finishing Pinochet's dictatorship, the FPMR spokesman said, adding that more attacks will be perpetrated during the day to spoil the government's celebrations of the anniversary of its illegitimate Constitution. The Constitution, which is of authoritarian and anti-Marxist character and enables Pinochet to remain in power at least until 1989, is celebrating its sixth anniversary after being approved by a plebiscite that the opposition considered fixed. According to official reports, Interior Minister Ricardo Garcia will deliver a speech about the transition to democracy at the main commemoration ceremony.

The attacks claimed to have been committed by the FPMR damaged two high-tension pylons in the Andes mountains 50 km south of Santiago and two others on the road between the capital and the port of Valparaiso, police sources reported. The outage occurred at 0645 (1054 GMT) and affected the 4.5 million inhabitants of Santiago and the cities and towns located between Coquimbo, in the north, and Rancagua in the south, along a 600 km extension. Railway service was interrupted, hospitals experienced difficulties, and essential services and street lights were cut until the electricity companies slowly reestablished the power supply. By 1000 (1400 GMT) Santiago had almost completely resumed its normal rhythm except for some neighborhoods in the suburbs.

On the eve of the new school year for 3.5 million children, Santiago faced a wave of attacks against public transportation buses and schools throughout the country. On that day the education minister denounced the existence of plan to involve the students with street violence.

7 BOMB ATTACKS REPORTED AROUND SANTIAGO

PY112231 Santiago Domestic Service in Spanish 1730 GMT 11 Mar 86

[Text] Police have reported that seven bomb attacks have been perpetrated in the past few hours in Santiago. A bomb went off in the education and health offices of the (Renca) City Hall building at 2300 last night, causing considerable damage. Thirty-five minutes later, a bomb went off at the La Granja Civil Registry building causing minor damage to the building's structure and to the windows. At 0045, another bomb exploded at the San Miguel Municipal Auditorium, causing substantial damage to the roof, windows, and to the sports council's office. Jose Jara Benegas, the guard on duty in the building, suffered a slight ear injury.

Later, an electric transformer on Cordillera de los Andes Street was destroyed, but electric service was not interrupted. At 0115, a bus stop at the corner of Las Industrias and (Sevastopol) Streets was bombed, resulting in minor damage. Finally, a phone booth in the Maipu District and an office of the National Youth Secretariat at 150, 5 de Abril Street were also bombed.

PINOCHET, ARCHBISHOP DISCUSS POPE'S VISIT

PY111727 Santiago Domestic Service in Spanish 1100 GMT 11 Mar 86

[Excerpt] Pope John Paul II's upcoming visit to Chile was the main subject discussed during the meeting held by President Augusto Pinochet with Santiago Archbishop Msgr Francisco Fresno. The meeting was held at La Moneda Palace and was also attended by Interior Minister Ricardo Garcia, Minister Secretary General of the Government Francisco Cuadra, and Foreign Minister Jaime del Valle, as well as Santiago Auxiliary Bishop Msgr (Sergio Vallech) and Military Vicar Msgr (Joaquin Mate). The meeting, that was conducted within a very cordial atmosphere, lasted an hour and a half.

Cardinal Juan Franciso Fresno talked to journalists about the meeting.

[Begin recording] [Fresno] It was a courtesy invitation extended by the president to join him for a cup of tea and chat about developments during the summer holdiay season and especially about the visit the Holy Father will make to Chile. [end recording]

Msgr Fresno was asked his opinion on the current situation of the church-government relations. In this regard he said that when one is invited for tea this shows a desire to maintain a good relationship.

BAIL SET FOR OPPOSITION ACTIVIST PALMA

PY111829 Santiago Domestic Service in Spanish 1100 GMT 11 Mar 86

[Excerpt] Trial Judge Sergio Mery has ordered the release on bail of Andres Palma, president of the Christian Democratic Youth. Palma's release is subject to the prior approval of the appellate court and the payment of 5,000 pesos bail. Palma has been held under arrest at the Capucino prison annex since 18 February when he was indicted, charged with violating the internal security law.

PINOCHET SAYS ARMS AVAILABLE FOR EXPORT SALES

PY111449 Santiago Domestic Service in Spanish 1100 GMT 11 Mar 86

[Excerpt] President Augusto Pinochet has said that Chile is in a position to sell arms. The president made this statement in response to a question by a journalist who noted that various types of arms are being manufactured in Chile. The chief of state discussed this subject with journalists at the end of his lengthy visit to the International Air Fair, FIDA 86, which he officially inaugurated.

HOY EXAMINES PHILIPPINE, HAITIAN REVOLTS

PY080207 Santiago HOY in Spanish 3-4 Mar 86 p 5

[By Ascanio Cavallo]

[Excerpts] Despite the distance, there are many reasons why the Philippines have recently occupied the center of the Chilean political stage. Last week, all the government officials who spoke to HOY said that the fast-developing politico-military crisis in the Philippines had been closely followed at the highest levels of the regime. One of them noted that President Pinochet had been "very interested" in the details of the situation in Manila.

However, the most important fact was not the unusual amount of interest shown in following the news but the conclusions and commentaries that were circulating in La Moneda Palace toward the end of the week.

The first conclusion is negative: The conviction prevails that the Chilean situation, particularly the existing correlation of forces, cannot be compared to the situation in the Philippines, and even less to the situation in Haiti. Incidentally, the South Korean government quickly reacted by warning the opposition not to make the mistake of resorting to the Philippine method.

The collapse of the Duvalier dynasty and the deterioration of Marcos' power, however, have a common origin. An Interior Ministry official pointed out that "in both cases, the United States played a destabilizing role after a long period of exerting pressures through diplomatic channels." For the Chilean Government, the two crises, especially the Philippine crisis, showed that U.S. policy is indecisive, even toward its strategic allies, not always taking into account future consequences. As these government officials see it, what is happening in Haiti -- continued looting and disturbances -- may yet happen in the Philippines, and will be "very important" in determining how correct the Reagan administration decisions were. La Moneda officials agree that "the U.S. political intromission" at the highest levels of the Armed Forces was one of the "disturbing" factors in the cases of Haiti and the Philippines.

That the maximum pressure was applied by Washington at the moment of internal social convulsions -- in the middle of the protests in Haiti and the military uprising in the Philippines -- is considered "a bad example." One of the sources said: "This can nurture false hopes among opposition groups that believe street disorders and violence can tip the political balance in their favor. The United States contradicts itself when it disapproves of 'social mobilization' in one part of the world, and then it takes advantage of mobilization to destabilize friendly regimes in other parts of the world."

The Chilean Foreign Ministry, however, seems convinced that the Reagan administration will now concentrate its efforts on regimes it considers "hostile," like Nicaragua, for instance. (Nevertheless, when HOY talked with Foreign Ministry officials about the Haitian crisis 2 weeks ago, the government was convinced that the Philippine situation would not break down, precisely because the United States could not hit two "friendly" regimes at the same time. In fact, the Foreign Ministry waited until the departure of Marcos was confirmed to recognize that the situation in Manila was "newsworthy.")

A declaration by Ronald Reagan on 27 February confirmed the government officials' evaluation, but introduced a new element in the definition of U.S. policy: namely, the choice between dictatorship and democracy. Reagan said: "We were on the side of democracy in the Philippines, and we have to be on the side of democracy in Nicaragua, in Central America, and in our own hemisphere."

Other government circles believe that an additional negative aspect in the collapse of Marcos is the fact that it came on the heels of an electoral process. Analysts close to La Moneda Palace say that "the credibility of plebiscites or elections under authoritarian regimes is undermined, and this can encourage the not-always-correct notion that a well-mounted campaign of denunciations may cause the breakdown of a government."

Some sources contend that these events should force a review of the proposition being made by some sectors of the executive branch, that "trial" plebiscites on minor issues should be held before 1989.

Although the review of what was only a working hypothesis until last week might be in order, few within the regime believe that the events in Haiti and the Philippines will induce the executive branch to modify its plans and outlook for the best of the year. An official said: "Only the enthusiasm of the opposition with social mobilization can make things different, forcing the adoption of somewhat harder measures."

The government is wary of the possible interference of the church with its strategy for March, and so it is closely following the steps of the Episcopal Conference and Cardinal Juan Francisco Fresno. By the way, the "Philippine syndrome" is also noted in this regard, because the church's intervention was no less important than the role played by the U.S. Government and the mobilization of the people in the Philippine outcome.

BRIEFS

NEW BRIGADE COMMANDER -- Iquique General Enrique Fernandez Cortes has assumed his post as commander of the First Air Force Brigade, replacing General Fernando Silva Corvalan, who has been appointed inspector general of the Chilean Air Force. [Summary] [Santiago EL MERCURIO in Spanish 4 Mar 86 p C5 PY]

ELN SETS FIRE TO HELICOPTER, KIDNAPS FRG ENGINEER

PA122047 Madrid EFE in Spanish 2002 GMT 12 Mar 86

[Text] Bogota, 12 Mar (EFE) -- The Army of National Liberation (ELN) in Colombia has set fire to a helicopter and kidnapped a German engineer. Bogota police said that the guerrillas fled to the country's east after they set fire to a helicopter of the enterprise Aeroexpresos Bogota in Panama de Mita, 400 km east of the capital.

The police added that after setting fire to the helicopter, worth $80,000, the ELN kidnapped German citizen Johann Tibuck. Luis Prieto, the helicopter pilot and a retired commander, was unharmed.

The German engineer, who worked for Compania Colombiana de Construcciones, Colescon, was forced to accompany the rebels to an unidentified location. According to the police, reinforcements were sent to the Savarena area in an effort to rescue the kidnapped engineer.

American Abducted

PA130102 Paris AFP in Spanish 2339 GMT 12 Mar 86

[Text] Bogota, 12 Mar (AFP) -- Hans Fischborn, an American oil engineer, was captured by guerrillas in eastern Colombia today, according to press reports as yet unconfirmed by official media. During the action, staged by presumed members of the National Liberation Army (pro-Castro ELN), the helicopter in which the American specialist was travelling was set afire.

The attack took place in Petaca, near Saravena, in the Province of Arauca, which is on the Venezuelan border. The report was made by the helicopter's pilot, who was released by the extremists, the sources indicated. It is noteworthy to recall that over the past several months the ELN and the communist Revolutionary Armed Forces of Colombia (FARC) have staged attacks against foreign oil companies in that region.

QUINTIN LAME GROUP BREAKS AWAY FROM M-19

PA121317 Bogota EL SIGLO in Spanish 7 Mar 86 p 1

[Text] Popayan -- The Quintin Lame, a pro-Indian group, officially announced yesterday that it is breaking away from the general leadership of the leftist 19 April Movement [M-19] and that it is considering withdrawal from the so-called National Guerrilla Coordinating Board (CNG) because it has declared a war to the death to seize power, without any grounds.

GOVERNMENT REGROUPS AFTER VARGAS INCIDENT

President Denies Negotiating

PA122250 Madrid EFE in Spanish 2131 GMT 12 Mar 86

[Text] Guayaquil, Ecuador, 12 Mar (EFE) -- Ecuadoran President Leon Febres Cordero today stressed that no compromise, negotiation, or agreement was made with General Frank Vargas for him to put aside his rebellious attitude. According to a statement made by the president during a news conference in Guayaquil, the rebellion ended when Vargas put aside his attitude, gave up Manta Air Force base, where he had entrenched himself for 5 days, and gave himself up to the president of the Republic.

Febres Cordero mentioned the statements made by Vargas, amply covered by the press, when he surrendered Manta Air Force base, regarding the appointment of an honor court and the removal of Defense Minister General Luis Pineiros. Febres Cordero said that "the statements made by Vargas during the surrender of the Air Force base are far from the truth." Regarding the honor court which is headed by General Jorge Andrade and composed of six high-ranking memebers of the three branches of the Armed Forces, the president said that this honor court will be responsible for supervising the process against Vargas. Vargas, President Febres Cordero said, will be tried according to military law and will remain under arrest while the hearings are underway at the Mariscal Sucre Air Force Base in Quito.

Regarding the resignation of Minister Pineiros, the man Vargas accused of economic corruption, the charge that unleashed the conflict, Febres said that there had been no negotiations but rather a patriotic action on the part of the minister, who presented his resignation. In his last statement before placing himself at the orders of the president and arriving in Quito to be placed under military arrest, Gen Vargas not only spoke of the honor court, but also called on the people of Ecuador to supervise the process against him. When stressing these issues, President Febres Cordero mentioned his duty to uphold the Constitution and the laws, "from which the order and peace that the country desperately needs at this moment are born."

'Ordinary' Court To Convene

PA130058 Quito Radio Quito in Spanish 2300 GMT 12 Mar 86

[Text] Lt Gen Frank Vargas Pazzos will be tried by an ordinary court, not by a court of honor, President Leon Febres Cordero has said. He stressed that the incidents which began last Friday were not merely a simple insurrection but a political conspiracy, adding that under no circumstances has the defense minister's post been subject to negotiation. Febres Cordero said that General Pineiro's resignation was not the result of negotiations, but due to the sensibleness of the former government official, who submitted his resignation. In his statement, Febres Cordero also noted that only now that the military conflict is over will be consider Gen Luis Pineiro's resignation.

Regarding Gen Frank Vargas Pazzos, who was discharged from the FAE [Ecuadoran Air Force], Febres Cordero said that he will be judged strictly according to the law, adding that statements by Vargas Pazzos on his departure from the Manta air base were not consonant with reality.

[Begin Febres Cordero recording, in progress]...of the country, you can be sure that during the disturbing chapter we have just gone through, the president of the Republic has maintained the most prudent silence, in order not to encourage or contribute to the unrest that undoubtedly existed throughout the country. I am a man of honor. I am a man who complies with his oath of respecting and guaranteeing respect for the Constitution and laws of the Republic, because only by so doing will peace and order prevail in the country. I also want to make it clear that some press reports are not based on facts. Things have been [words indistinct] and so have been the results, which the country will learn of now, directly from the president of the Republic.

Talks were held yesterday afternoon with Gen Frank Vargas Pazzos through the governor of the Guayas Province, who is also private secretary of the presidency. Prior to meeting with Gen Vargas Pazzos, Vargas Pazzos, on his own initiative, apologized for his attitude. It was established that there had been no commitment, negotiation, or agreement. It was established that Gen Vargas decided to change his attitude of insubordination and rebellion. Second, Gen Vargas was surrendering the base to pertinent military authorities.

Third, Gen Vargas placed himself at the orders -- as outlined in the military laws -- of the constitutional president of the Republic, so that through a court of honor that I had composed of high officers of the Armed Forces, this court of honor would [words indistinct] at the Quito air base, where he would remain as long as necessary throughout his judicial-military trial. This court of honor, in addition to serving as a mechanism to deliver Gen Vargas to the air base, would supervise the process. I had told Gen Vargas this, [words indistinct] would supervise the purity of the judicial-military trial, so that the court that will judge him according to common military laws -- not the court of honor, but the court established by the common military laws -- may proceed as it must, strictly according to the law and impart justice, the most absolute justice. [end recording]

Pineiros 'On Leave'

PA130249 Madrid EFE in Spanish 0218 GMT 13 Mar 86

[Text] Quito, 12 Mar (EFE) -- General Luis Pineiros said today that he continues to be the country's defense minister and that he is currently on leave from this office. During a news conference at his home, Gen Pineiros said that on Monday he presented his resignation to President Leon Febres Cordero and added: "I had always kept in mind that a public office is a temporary job, knowing that I could leave it at any moment." "The president has not decided on my resignation; therefore, I continue to be the minister, and I am currently on leave," the general said.

Gen Pineiros added that he had given the Office of the Comptroller all the documents on the purchase of airplanes for a domestic airline that is run by the Air Force. Vargas has presented charges of corruption in regard to this purchase.

Radio Quito has reported that the National Chamber of Representative's progressive bloc has decided to ask Chamber President Averroes Bucarem to convoke an extraordinary period of sessions to study the charges against the military hierarchy and carry out the necessary investigations.

Adviser Defends Pineiros

PA121552 Quito Voz de los Andes in Spanish 1130 GMT 12 Mar 86

[Excerpt] In view of the serious charges leveled by Lt Gen Frank Vargas Pazzos against former Defense Minister Gen Luis Pineiros regarding the purchase of the Fokker plane for TAME [Ecuadoran Military Air Transport], Dr Arturo Viscaino Sotomayor, National Defense Ministry legal adviser, defended Pineiros:

[Begin recording] The defense minister is not concealing anything. (?I respect) him. I have no kinship to him. As legal adviser of this ministry I handled part of the negotiations for the purchase of the Fokker plane. I want to tell all of you publicly, with the honesty that has characterized the Luis Pineiro administration, that Vargas was the one who purchased the Fokker plane.

He sent a memorandum to the company with a letter voicing the intention to buy it. Gentlemen, he sent a memorandum that was not authorized by the defense minister. He sent a note to the Presidency of the Republic demanding the purchase of the Fokker plane. He signed a document with the secretary general of the administration, the finance minister, and the manager of [word indistinct] assuming his responsibility in the purchase of the Fokker plane.

And now, gentlemen, he says that there is bribery. Yes sir, there is confirmed bribery. I hold receipts from Gen Vargas, rather from one of his subordinates, namely economist Florencio Ruiz, an aviation lieutenant and disbursement officer, for the amount of $50,000, payable to the Club of Aerotechnicians and $200,000 payable to the Club of [word indistinct] Officers as a donation requested and demanded by Gen Vargas in order to allow the purchase of the Fokker plane. [end recording]

BRIEFS

REFINANCING AGREEMENT WITH SWITZERLAND -- Finance and Public Credit Minister Francisco Swett has signed a bilateral agreement with Switzerland within the framework of the (?refinancing) of the Ecuadoran foreign debt with the Paris Club. The transaction involved 13 million Swiss francs and, Swett said, is another step in the progressive normalization of the financial relations between Ecuador and the international financial community. The amortization of the 13 million will begin on 1 January 1988 and will last until 30 June 1995, Swett added, emphasizing that by normalizing our financial relations, our country has been able to obtain the best terms as far as interest rates are concerned. [Excerpt] [Quito Radio Quito in Spanish 2300 GMT 4 Mar 86 PA]

EL PUEBLO CRITICIZES REAGAN'S FOREIGN POLICY

PY120220 Asuncion EL PUEBLO in Spanish 26 Feb 86 p 7

[By Gustavo Garcia]

[Text] Unbelievable contradictions in the foreign policy of Ronald Reagan, the smiling man past his seventies, were observed last week. While the Yankee ambassadors before Stroessner and Pinochet carry out instructions to break the "silent diplomacy," much to the discomfort of the Paraguayan and Chilean official circles, the chief of the White House delivered three hard blows below the belt to all the democrats and noninterventionists of the world. Only as such can we describe the blows that the aggressive Reagan has delivered to Nicaragua, the Philippines, and Grenada to create a protracted climate of belligerence in those regions. Consequently, these regions will suffer the irreparable losses of human lives, and moral and material benefits that have been arduously gained.

The Northern power does not mind truncating revolutionary expectations like those of Nicaragua, where a reformist-developmentalist experiment to extend the benefits of economic and social democracy to the majority of the people is taking place; or like those in the Philippines where the experiment stood on the threshold of a formalist transition to democracy, to a democracy of peace without the unnecessary victims of the continuation of the corrupt and mentally-paralyzed Marcos dictatorship would cause.

Reagan's visit to Grenada brought to mind his dangerous messianic pretension of becoming a twentieth-centruy Atilla, some sort of scourge of God. The difference is that the Hun did not believe he was God, but this cowboy, meek in movies and ferocious in actual life, believes he is God.

The resurrection of the Manifest Destiny philosophy -- if it had ever died -- and its corresponding practical policy of the big stick should move the social, political, economic, and progressive military forces in the "backyard" of the U.S. foreign policy, as Latin America is known, to serious reconsideration. The urgent prescription for the redemocratization of some Central and South American countries is no more than a political expedient to halt or delay the irrepressible social stirrings in some areas of the continent. The prescription cannot be limited to liberal policies, because just as no one wants "freedom without bread," neither do they want "bread without freedom." No one. Only the elite are satisfied with the extremes.

The struggle is now to achieve a synthesis of bread and freedom. This is an old but not utopian struggle, and Reagan knows it well. However, it so happens that Reagan is the spokesman for (or the prisoner of) powerful U.S. economic interests, which close the door on our products while selling us arms to keep us weak and divided in order to consolidate their hegemony. The deplorable Grenadian Trotskyists killed Maurice Bishop and opened the door to the Yankee intervention that was boastfully and lugubriously commemorated 3 years later.

Reagan's negative neutrality only serves to internationally strengthen the perseverant Cory Aquino. The Contadora Group and the Contadora Support Group are firm in their noninterventionist attitude; and the Nicaragua of Sandino, although it has the ability to counterstrike, does not want to be the target of a strike, because its people are tired of turning the other cheek.

'VOICE OF COLORADO' CRITICIZES AMBASSADOR TAYLOR

PY110300 Asuncion Domestic Service in Spanish 2330 GMT 11 Mar 86

[From the "Voice of the Colorado Party" program]

[Text] As the saying goes, whoever peeps through a keyhole frequently sees what he should not see. However, in this case we believe that it would be good and even advantageous for U.S. Ambassador Clyde Taylor to peep through the keyhole and read page 7 of the 26 February issue of the weekly EL PUEBLO. On that page, the Febrerista Party [PRF] mouthpiece referred to U.S. President Ronald Reagan with coarse and strong words. This will teach the ambassador who is who in our country. He will thus be able to identify those who are false and hypocritical, those who promote intrigue, and those who use flattery for personal gain. He should not forget that the famous slogan: Yankees out, Yankees go home [preceding phrase in English], used by the leftists in several parts of the world was seen at the minimeeting at Plaza Italia.

The members of the Febrerista Party, the same people who on 3 January stood up to welcome and applaud Ambassador Taylor at their party headquarters, and who dedicated on the center page of their paper an eight-column headline and the most laudatory remarks have now taken a completely opposite stand, in less than 56 days. In effect, they have disrespectfully used the strongest words to refer to President Reagan.

Mr Taylor: The Febrerista Party members, who yesterday claimed that you are the best ambassador in the world and that your country, the United States, is the best nation on earth, are today referring to your president as a fictional, neutronic cowboy, a ferocious cowboy, a messianic Attila of the 20th Century, a scourge of God, an aggressive president who causes the loss of lives and moral values, a man who strikes low blows at democracy, a missionary of economic interests who tries to divide and weaken the world, and sponsor of the deplorable Grenadian (?Trotskyists) who killed Maurice Bishop.

Ambassador Taylor: What do you think about all this? This is by no means slight, right? Bear in mind that it is the same people who on 3 January, that is, 56 days before the publication of the disrespectful article on U.S. President Ronald Reagan, praised you and almost sanctified you just because you visited them and listened to them. That was a serious diplomatic mistake. You should have recieved them at the embassy, you should not have certified the so-called National Accord with your presence at their headquarters.

In due time we told you, Mr Ambassador, that it is not possible to deal with snakes, because in the long run they will betray and bite you. Here is the evidence. It is not our invention. Neither is it the product of our imagination. What we have said is on page 7 of the 26 February issue of the weekly EL PUEBLO, where the Febreristas, after removing the mask with which they deceived you, ignominiously attack the president of the United States with typically Marxist language.

We would like to know now, Ambassador Taylor, what kind of information you will get from these hypocrites, these interested, false gossip-mongers who used you and your embassy as a vile forum from which they could appear with a representativity they neither have or deserve, because they are political nobodies. Practically, Mr Ambassador, they treated you as a fool, who at the time lent himself to a farce that benefitted them with gratuitous publicity, and left you, the representative of the leading nation of the free world and first power, as dirty as a chicken perch. They made you look like a very naive ambassador, which undoubtedly you are not. You perhaps had the best intentions, but wolves are still wolves even if you pull out their teeth.

The representatives of the illegal groups are avowed communists, some of them, and others instruments of the communists. In this instance, they disguised themselves as pseudodemocrats of the opposition, purportedly persecuted by the government, and lied to you from beginning to end. Having succeeded in their purpose, they now attack you, your President, and your country, with their native strategy and communist artillery by insulting President Reagan, referring pejoratively to him as the Yankee actor, accusing him of being a puppet and even of being the mastermind of crimes against the Latin American peoples. This is a bitter lesson for Ambassador Taylor who innocently fell into a trap from which it will be difficult to extricate himself.

The question is now how to justify with his own President why he got mixed up with members of the illegal parties who feigned friendship and then turned enemies. His experience as a policeman or investigator did not help him. He was stupidly and naively caught and used as a kitchen towel that is thrown in the garbage can once it is no longer needed.

Ambassador Taylor, please, do not get mad at us. What we are saying we say with the good intention of warning you to avoid getting mixed up with despicable individuals in the future, because they can only have a negative effect on your important diplomatic mission in Paraguay. Be careful to whom you extend your hand in the future, because this time you got it right back in your face. You have to learn: Those who sleep with dogs get up with fleas. Mr. Ambassador, please, read EL PUEBLO, 26 February 1986, page 7, and you will see that we are right.

PATRIA Scores Ambassador

PY121839 Asuncion PATRIA in Spanish 12 Mar 86 pp 12, 13

[Humberto Velazquez commentary: "Did you Take Note, Mr Taylor?"]

[Text] Through remarks U.S. Ambassador Clyde Taylor made we became aware that he is interested in thoroughly learning about our country's reality, including, of course, the political aspect.

For this reason he visited the legally constituted parties, and even the irregular and ostracized ones.

The one that benefits most from Mr Taylor's curiosity was the Febrerista Revolutionary Party [PRF], an appendix of the Socialist International.

Very well, the PRF leaders probably told the U.S. ambassador that the Febrerista Party is the institution that established the Nazi-fascist totalitarianism in Paraguay on 10 March 1936, through Decree 152 of the executive branch headed by Colonel Rafael Franco, the founding father of the PRF.

We also believe that on that occasion the PRF leaders must have told Mr Taylor that, in an open turnabout, the PRF turned from Nazi-fascism to the extreme left, and in 1947 it joined the Communist Party of Paraguay to try and seize political power through a fratricidal revolution, but it was unmercilessly defeated by the Colorado Party and the loyal sector of the Armed Forces.

Now that we know that the representative of the great northern nation is very busy in his information-gathering and in meetings at which prizes are given, we ask him to carefully read page 7 of the newspaper EL PUEBLO, the mouthpiece of the PRF, of 26 February 1986.

There, Mr Ambassador, you will find that the PRF is the traveling companion of the communists, because, in addition to the miserable treatment it gives to the U.S. President, whom you represent, and whom EL PUEBLO calls a "neutronic cowboy," it repudiates the intervention of his government in favor of those who struggle for the recovery of the self-determination of the Nicaraguan people. In that article, the Febreristas openly and categorically defended the communist government of Daniel Ortega and condemned "Yankee intervention." (sic) They also expressed their indignation and rage over President Reagan's visit to Grenada. In this regard, they said:

"Reagan's visit to Grenada brought to mind its dangerous messianic pretension of becoming a twentieth century Attila, some sort of scourge of God. The difference is that the Hun did not believe he was God, but this cowboy, meek in movies and ferocious in actual life, believes he is God."

Isn't this good treatment, Mr Ambassador, for the President of the United States of America, the leader of the free nations? But, notwithstanding the damage caused to the chief of a friendly government, what matters is the PRF's disapproval of the fact that Grenada's fall under the menacing communist totalitarianism was avoided. Thus, Mr Taylor, you can put two and two together regarding the "democrat" Febreristas who, we are certain, must have reaffirmed to the ambassador their "libertarian" spirit when in fact they are rabidly totalitarian.

If communist Cuba and Nicaragua are the consequences of the gross and very serious mistakes made by the U.S. State Department, this is an opportunity to amend this conduct, if in fact there is some thought and the firm desire to prevent communist totalitarianism, cherished by the "useful idiots," according to the correct expression of a Chinese communist strategist, from expanding its power in other nations of the continent. Here in Paraguay, fortunately, both the Colorado Party, the authentic expression of the representative, republican, and pluralist democracy, and the constitutional government, which has emerged from its ranks, will never give up their historical commitment of being irreducibly anticommunist and the intransigent defender of our free and Christian form of life.

AMBASSADOR TO FRG CRITICIZES REPORTERS

PY082050 Paris AFP in Spanish 0401 GMT 8 Mar 86

[Text] Asuncion, 7 Mar (AFP) -- Victor Godoy Figueredo, Paraguayan ambassador to the FRG, harshly criticized six Paraguayan newsmen touring that European country who reported the deterioration of freedom of the press in Paraguay. In a letter which embassy officials gave to the reporters before they left Bonn for Munich, Godoy accused the professionals of launching groundless reports and dramatic exaggerations about reality in Paraguay.

Humberto Rubin, manager of Radio Nanduti, made the contents of the letter public in a phone call to his listeners from that European country. Rubin went to the FRG at the invitation of the Friedrich Naumann Foundation together with Ilde Silvero, director of the Catholic Church newspaper Sendero; Fernando Cazenave, staff member of the daily ULTIMA HORA; Ernesto Garcia, recently dismissed from his position as director of the TV newscast HORA 20; Alcibiades Gonzalez, reporter of the closed newspaper ABC, and Fernando Talavera from UPI. The ambassador remarked that the Paraguayan newsmen have harmed the image of the country through their statements in the FRG. He said: I am forced to remind them that every good Paraguayan citizen must contribute to the prosperity and peace of our beloved fatherland.

NATIONWIDE STRIKE BEGINS, WAGE INCREASE DEMANDED

PA121427 Madrid EFE in Spanish 0857 GMT 12 Mar 86

[By Sixto Martinez]

[Text] Montevideo, 12 Mar (EFE) -- Uruguay began today a nationwide 24-hour strike at 0000 (0300 GMT) convoked by the main labor union central, demanding mainly a wage increase of 30 percent.

The Interunion Plenary-National Convention of Workers (PIT-CNT) is also demanding a meeting of the Councils of Wages and the "solution to all the labor conflicts," in addition to other political demands.

Newspapers were not published today in Montevideo, and some radio stations are operating with emergency staff.

As for the city transportation sector, which is considered decisive for the success of the strike, some enterprises have announced that special vehicles will be circulating with special staffing to ensure some service.

It is expected that bank employees, who have been very aggressive in recent months, will join the strike as of 1300 (1600 GMT) when the banks are scheduled to open. Public employees are also expected to join the strike.

The strike will also affect the "Carrasco" Airport in Montevideo, international land transportation, the university, and hospitals -- where only emergency cases will be treated.

Approximately 60 union activists who were painting slogans supporting the strike were arrested yesterday, Tuesday, by the police in Montevideo and other cities in the interior, but later released.

This is the second nationwide strike convoked by the PIT-CNT since Constitutional President Julio Maria Sanguinetti took over on 1 March 1985, after 12 years of a military regime.

The last strike occurred on 19 September, although some 12,000 partial labor conflicts have taken place during this first year of the constitutional government.

The confrontation between the unions and the government worsened when authorities ordered an 18-percent wage increase as of 1 February, without convoking a meeting of the Councils of Wages.

The councils -- in which the administration, labor unions, and businessmen are represented -- decided at that time that there should be a trilateral negotiation for the wage increases and the recovery of the salary according to the inflation rate.

In its document calling for the current strike, the PIT-CNT criticizes the government's educational reform and rejects the regulations of unions, the "disbanding and rendering private (privatizacion)" of the state autonomous entities and the "continuity" of the government.

It also demands the "disbanding of the repressive apparatus," an explanation of the whereabouts of missing persons, and civilian trials "for the military men responsible for crimes against mankind."

Other requests of the central union include a national health service, distribution of the Central Bank land to the land tenants, and "pardoning the debts of the small and medium-sized farmers."

The government said that, although the gross domestic product remains stagnant, the real wage recovery amounted to 12.6 percent last year.

With a population of barely 3 million people, Uruguay owes the international banks about $5.5 billion.

The strike is taking place when the parties represented in Congress -- the Colorado Party, the National Party, the leftist coalition of the Broad Front and the Civic Union -- are negotiating a 3-year agreement that will promote economic recovery.

In recent statements to EFE, President Julio Maria Sanguinetti criticized the "excessive labor union conflicts" during his first year in office, and said that "the labor union movement should cooperate, otherwise it will be the first victim of its own mistakes."

Minister Sees No Point

PY121809 Montevideo Radio Carve in Spanish 0930 GMT 12 Mar 86

[Excerpt] Uruguayan Labor and Social Welfare Minister Hugo Fernandez Faingold yesterday stated that it is difficult for him to see the point of the workers' strike. He said that he would not oppose a strike if the institutions were being jeopardized. Fernandez went on to say that between 350 and 400 million Uruguayan pesos will not flow into the market as a result of the strike, and he reaffirmed his opinion that the workers' demands are strictly political. This is what he said:

[Begin recording] One can approach this matter from several viewpoints. Mine is that first of all it is very difficult to see the point of this strike under the present circumstances.

Recently I have made several comments on the overall circumstances surrounding the workers' situation in the country, and if we take a close look at these circumstances, we will find that there has been an improvement over past years. The time and wages lost to strikes this month are no more than 10 percent of what was lost in the same month last year.

We are currently engaged in a significant discussion on labor relations and essential laws, such as the law on wage boards and collective bargaining. The strikes this ministry is having to deal with are unusual, exceptional strikes that are practically always caused by lack of common sense in one of the parties involved and not by the usual reasons. The "normal" strikes are being taken care of well enough at the ministry, and most of them are being resolved before they take place.

All this means that there is a relaxation, a movement toward normalcy. Under these circumstances, this strike is (?out of place). This is my first impression, as I have told you.

My second thought is that I find it difficult to understand what will be accomplished through all this, because one thing is a loss of 150,000 to 160,000 Uruguayan pesos and quite a different one is 350 to 400 million pesos that are taken out of the salaries and wages and do not flow into the market. And for what? The day after tomorrow, after the strike is over, nothing will have changed. [end recording]

AGREEMENT REACHED ON MEETINGS WITH GUATEMALA

First Meeting in Mexico

FL112206 Mexico City NOTIMEX in Spanish 2110 GMT 11 Mar 86

[By Juan Guadenzi]

[Excerpts] Guatemala City, 11 Mar (NOTIMEX) -- It has been officially announced that the congresses of Guatemala and Mexico agreed here today to hold an annual reciprocal interparliamentary meeting in each country.

The document was signed this noon by Antonio Riva Palacio, president of Mexican Senate's Grand Commission, and Luis Alfonso Cabrera Hidalgo, president of the Guatemalan Congress. The two legislators head parliamentary delegations that held a series of meetings yesterday and today in Mexico City.

The two delegations agreed to hold the first meeting this year in Mexico, on the congresses of the two countries have approved the agreement.

According to the document, the first meeting could deal with common topics such as migrant workers, trade, energy, refugees, health, drug trafficking, and economic problems.

C.A. Peace First Topic

FL120430 Mexico City NOTIMEX in Spanish 2340 GMT 11 Mar 86

[Excerpt] Guatemala City, 11 Mar (NOTIMEX) -- Antonio Riva Palacio, president of the Mexican Senate's Grand Commission, said here today that peace in Central America will be the fundamental topic at the Mexican-Guatemalan interparliamentary meeting, since development is not possible without peace. The meeting will be held in September in Mexico, not necessarily in the Federal District, said the senator.

The document signed this afternoon by congressional representatives from both countries establishes for the first time in the history of reciprocal relations interparliamentary meetings to be held alternately in each country. The plan must still be submitted to each country's congress.

SILVA HERZOG DISCUSSES DEBT WITH BAKER, VOLCKER

PA120028 Mexico City EXCELSIOR in Spanish 8 Mar 86 pp 1-A, 21-A

[Article by correspondent Jose Manuel Nava]

[Text] Washington, D.C., 7 Mar -- Mexican Finance and Public Credit Secretary Jesus Silva Herzog has concluded days of "financial diplomacy" with U.S. and international officials with an agreement "still very far off" regarding the future handling of the Mexican foreign debt and regarding the fulfillment of all the nation's financing needs.

Very reliable sources have told EXCELSIOR that the secretary reaffirmed to Washington's financial authorities that Mexico is determined to resolve its problems "through negotiations." However, he also said that his country could adopt another stance if it is pressed too hard, or if there is no reaction to President Miguel de la Madrid's views that creditors ought to bear their share of the consequences of the crisis caused by the foreign debt.

Silva Herzog, who was accompanied by Bank of Mexico Director Miguel Mancera Aguayo, today held new meetings with James Baker, U.S. secretary of the Treasury, and Paul Volcker, chairman of the Federal Reserve Board. The Mexican officials also met with top World Bank officials.

The Mexican and U.S. officials held to their agreement of not reporting to the press any details regarding the negotiations between countries' top financial authorities. In order to keep the meeting private, Silva Herzog's and Baker's assistants did not attend these meetings.

Rafael Resendiz, official spokesman for Finance and Public Credit Secretariat, yesterday told the international news media that Mexico has not decided on any unilateral action. He added that the negotiations conducted by Silva Herzog have been "mutually respectful and free of any sort of confrontation."

However, U.S. sources noted that Silva Herzog, who apparently was using the negotiating strength he received from Latin American support granted him during the meeting in Cartagena last week, "in diplomatic fashion" warned that that stance could change if the country runs out of nonconfrontational [no confrontacionistas] options and does not get a response from its creditors.

During the meeting held last week in Punta del Este, Uruguay, the member countries of the Cartagena consensus issued a declaration stating that they will support any country that takes unilateral measures to face its foreign debt problems. It is widely felt that the "unilateral measure" the Cartagena consensus is referring to is a moratorium.

In view of the results of the Punta del Este meeting convoked by Mexico and Venezuela to analyze the new economic situation caused by the drop in the price of oil, commentators here said that Sivla Herzog would return to Washington with solid negotiating capabilities, supported by his colleagues in other indebted Latin American countries.

For U.S. authorities, the results of the "financial diplomacy" campaign initiated by Silva Herzog are of crucial importance. Its results will establish the guidelines to be followed in the handling of the foreign debt crisis of other countries in Latin America and in other regions.

A U.S. Government source said that the magnitude of what is at stake at the engotiations with Mexico "explains the secrecy of the negotiations." The future of the Latin American debt "depends on the results of the talks with Silva Herzog," the source added.

The same tendency was boserved in the past when Mexico received preferential treatment as a "reward" for being a "model debtor." After Mexico was granted "advantageous" conditions for the payment of its debt within the now obsolete structures, the same treatment was generalized for countries "with adequate economic policies in operation."

According to reports, Silva Herzog returned to Mexico City on a commercial flight to inform the Mexican president of the results of 2 days of negotiations in Washington. It is expected that Silva Herzog will travel to New York next week to meet with representatives of the creditor banks.

Although a spokesman of the Creditors' Interbank Committee [Comite Interbancario de Acreedores] in New York said that the institution's co-president William Rhodes was not expecting Silva Herzog in New York, other sources said that on three occasions the Mexican official had cancelled a "courtesy visit" with the bankers to brief them on the results of his talks in Washington. "That has stirred up some expectations," they said.

It was reiterated here in Washington that Silva Herzog is not seeking direct U.S. financial aid but the definition of a plan by which the U.S. Government may intercede with the banks in order to obtain lower interest and credit rates and preferential conditions.

It has been said that the U.S. President is not willing to mediate in this sense, because "there are many countries that are facing the same situation as Mexico, and it is simply not possible to mediate for Mexico and not do the same for the other countries."

"That is the key to the matter," a U.S. financial expert said, adding that "it is an argument that the United States uses as a negotiating weapon, but the truth is that, as in the past, it will be done with Mexico, and then with the rest of the debtor countries.

SILVA HERZOG ASKS CREDITORS FOR 'NEW OUTLOOK'

PA122012 Mexico City XHDF Television Network in Spanish 0300 GMT 12 Mar 86

[Report by Claudio Guzman]

[Text] Mexico has asked Canada, Japan, the FRG, France, and Great Britain to act with a new outlook to resolve Mexico's debt problem. In a telex sent by Finance Secretary Jesus Silva Herzog to the finance ministers of those nations, he asked for joint efforts and he stated Mexico's decision to solve the problems through negotiations.

The document stated that our country seeks solutions to the crisis through coordinated actions rather than through unilateral actions that would provoke confrontation.

The document explained how the drop of petroleum prices in the world market is affecting the Mexican economy. It stated that the reduction of petroleum revenue in Mexico this year amounts to $7 billion. That sum is equivalent to almost one-third of our exports. That drop in petroleum is also equivalent to 3 or 4 percent of the gross domestic product estimated for this year.

Secretary Silva Herzog stated that concessions will be demanded from the private banks to help our country overcome its difficult financial situation.

CONATO NATIONAL STRIKE CONTINUES IN CAPITAL

PA112123 Panama City Circuito RPC Television in Spanish 1730 GMT 11 Mar 86

[Text] Police vigilance increased in the capital today to avoid disorder and obstruction of traffic, which occurred yesterday in the wake of the nationwide strike promoted by the National Council of Organized Workers, Conato, and which is in its 2d day today.

The climate of tension seemed to decrease and businesses operated normally while many people circulated on the sidewalks of Central Avenue, the most important business street in the capital. A high percentage of industries are paralyzed while certain companies are operating to a moderate extent. Regarding the 2d day of the strike, Conato leader Jose Meneses said:

[Begin recording][Meneses] Conato's stand is that we are not in the situation of a union and a company negotiating a list of demands or a collective agreement, which is what the law establishes in order to declare a strike lggal or illegal. We feel that this is a general strike convoked by the labor movement which is not within the provision of the law. For the time being, the situation is that the enterprises are paralyzed by the workers because there will be a big march tomorrow. This is why our people are resting today.

[Unidentified reporter] National Defense Forces troops are in the streets. They will do everything possible to prevent any action aimed at obstructing traffic. What is your opinion on this? Will the march be staged despite this limitation?

[Meneses] It is one thing to close one street or one avenue, and it is another to stage a march. We will take any route in this country to reach the planned destination. Thus, I do not believe the Defense Forces are contemplating taking any such actions. Consequently, we will stage this march without any provocation or violence. This is the decision of the labor movement. [end recording]

Meanwhile, the general strike reached its 2d day in Colon with the paralyzation of 90 percent of the activities in the main commercial areas of the province. In the meantime, spokesmen of Panama's refinery said that they agree with Conato and therefore have been supporting the strike since Monday.

[Begin unidentified labor leader recording] We are in a total, full, absolute, and indefinite strike to back the measures of Conato and the, CTRP, Confederation of Workers of the Republic of Panama, which reject any amendment to the labor code.

This is the stand we have taken. This shows that our union is fully identified with the labor movement as a whole and our movement is firm, compact, and determined. We want to urge representatives of the state and the Defense Forces to start the dialogue Conato proposes and to withdraw the bill from the National Assembly so the measures that will be taken benefit the Panamanian people. [end recording]

In conclusion, owners of gasoline stations within the Colon city limits noted that fuel is becoming scarce. Refinery spokesmen said that fuel will run out in a few hours.

CONEP Issues Communique

PA120426 Panama City Circuito RPC Television in Spanish 1730 GMT 11 Mar 86

[Text] In view of the present situation of unrest in the country marked by stoppage and strikes, the National Council of Private Enterprise, CONEP, has issued a communique saying:

When we consider the obligation to pay the foreign debt accrued during the past few years, we have seen that three new laws, agricultural and livestock, industrial, and labor, have been presented as the solution for the economic crisis. These laws bear no relationship to national reality.

In the communique, signed by its 32 member organizations, CONEP added its full rejection of the plans by government sectors and groups advocating ideologies contrary to Panama's interest to destroy the free enterprise and private property system under the pretext of supposed pressure by the World Bank and the IMF. Simultaneously, CONEP rejected the bills presented by the executive branch because they do not help solve the country's serious economic crisis. Finally, the CONEP said it will stand guard to see that the state guarantees the enforcement of the principles of liberty, democracy, free enterprise, and the Panamanian family's right for standard of living worthy of its human nature and in accordance with the wealth that the country generates.

Industrial Sector at 'Standstill'

PA122101 Panama City Circuito RPC Television in Spanish 1730 GMT 12 Mar 86

[Text] The industrial sector is virtually at a standstill in the capital in the wake of the labor strike promoted by Conato, which is in its 3d day today to demand that the government not implement amendments to the Labor Code. In the meantime, there is no gasoline at the gasoline stations because Panama refinery workers are not working. This situation will shortly result in nationwide paralysis, thus making the crisis worse.

So far, there is quite a decrease in the activity of the collective transportation sector, while businesses remained open. The Conato strike is practically consolidated. Meanwhile, in the Legislative Assembly deliberations on the Labor Code continue.

Conato leaders headed by Arcenio Dominguez, said:

[Begin recording] The strike has received 95-percent support. Today, we believe many more workers will join the strike. It has been a peaceful strike at all times. There have been no subversive actions or anything like that at any time.

Today's march, which is being called the march of national salvation, was given that name because there was not adequate consultation with the labor sector on the bills that were introduced in the Legislative Assembly, for example and particularly the Labor Code. We were told that we would start at square one. Square one means nothing. However, it started at square eight. Conato is not being intransigent. However, if the government, that is, President Delvalle, expressed goodwill, it was natural that we would agree to talk, beginning at square one. We have not rejected a dialogue at any time. There have been constant dialogues. We have never broken off a dialogue. We will not break off a dialogue. However, we cannot allow or accept that we have been told that we would begin at one point, and that later we are started from another [end recording]

Italian Ship Supplying Fuel

PA121859 Panama City Radio Mundial in Spanish 1753 GMT 12 Mar 86

[From the "Alternative" program by Miguel Antonio Bernal]

[Text] Dear listeners, we have two important reports for you.

At the invitation of the Popular Action Party [PAPO], an important meeting is currently being held of all the opposition political forces at the PAPO headquarters. The Christian Democratic Party, the Molirena Nationalist Liberal Republican Movement, the Socialist Workers Party, the Authentic Liberal Party, the Authentic Panamenist Party, and PAPO are attending this meeting, and we will try to report on the outcome of the meeting before the end of this newscast.

Meanwhile, we have learned that an Italian ship is right now supplying fuel -- following orders from the U.S. Government -- to the National Guard [Panamanian Defense Forces] in the canal zone. National Guard tanker trucks are in the canal zone right now under the protection of the U.S. Army and are receiving gasoline from an Italian ship. This is another way of conducting a joint operation in order to try to break the Panamanian workers' strike.

As the workers have pointed out in their call for unity, in their invitation to the march slated for this afternoon at 1400 leaving from Porras Plaza, we are convinced that neither Italian ships nor U.S. ships will prevent the Panamanian people from voicing -- once and for all -- their displeasure over the plans to take us again to the era of the Code of Hammurabi and turn the Panamanian workers into modern slaves. Those laws will not pass, as National Institute of Telecommunications worker Jorge Cal has just said here.

Delvalle on Economic Package

PA122209 Panama City Televisora Nacional in Spanish 2032 GMT 12 Mar 86

[Text] President Eric Arturo Delvalle has said that the economic package sent to the Legislative Assembly to be discussed seeks to reactivate our weak economy.

[Begin recording] [Delvalle] All that Panamanians wanted is currently occurring in the country, namely, a democratic opening. Several sectors believe that their interest is being harmed. After analyzing all the information available regarding various areas of national life, we took the initiative of choosing those we felt were better. We have embodied them in bills that have been sent to the Legislative Assembly, where a dialogue will take place. This is precisely the place where dialogue occurs in a democracy. We hope that all sectors who feel that they can contribute making the laws more adequate for their interest -- I hope these interests are not personal but those of the homeland -- can go to the Assembly and help improve these laws.

[Unidentified reporter] We think that the country will be paralyzed for lack of fuel. Has the executive taken onto consideration the proposal made by....

[Delvalle, interrupting] Yes. The national government has taken all necessary measures. The country will not suffer for lack of fuel.

[Reporter] Mr President, a problem is at hand. The labor, industrial, and agricultural and livestock sectors have said they cannot believe in the negotiating team that traveled to Washington to renegotiate the foreign debt because they are the same people who participated in the corruption and embezzlement of public funds.

[Delvalle] I don't know who participated in the embezzlement of public funds. They should be less daring in making these charges and name those they feel must be accused of such actions. To me, they [the negotiators] are patriots who defended Panama's viewpoints.

Panama has not presented any foreign model, nor that of the World Bank or the IMF. Panama has presented a Panamanian model for the resolution of its problems. This is what we have presented to the Assembly, and this is what we hope to discuss at the Assembly, with or without the participation of the groups that feel they are affected, according to their views.

[Reporter] The amendments [of the Labor Code] do not benefit private enterprise, the workers, the farmers, or the industrialists. So, who benefits from those amendments?

[Delvalle] The amendments do benefit all sectors. We are in the process of passing an agricultural and livestock incentives bill that is positive. Here is Minister Bruno Garisto, who can give you plenty of details on the agricultural and livestock bills. The industrial bill stimulates the creation of new jobs. So, this law also improves the Panamanian workers' situation. This law has two or three more articles than Industrial Law 413, to which the industrialists so tenaciously cling. We have been trying to create a second and a third shift in the various enterprises that do not operate at full capacity. In this way, more Panamanians will be able to work and we will be able to export more. In addition, we will be to pay our international obligations, which we must. Also, we have to understand that the industrialists have been tax exempt for many years in this country. I also am an industrialist, but I think the time has arrived when all of us have to lend a hand and make some sacrifice. The share of the industrialists is to pay taxes on their machinery, even if these taxes are low, because such machinery is not produced in Panama, the industrialists must pay taxes. The industrialists have resented this. Let us also have a tax on the raw material that we will use in our production, even it if is small.

Let's be more creative and more efficient. Let's produce at the same or at a lower cost. We can do it provided a limit is established. If such limitations are not placed, there is no way that we can lower costs. This is similar to a child, who wants to return home after midnight. His father then tells him: You have to return at midnight. Of course, it would be preferable if nothing is said to the father. But the moment has arrived when we all must admit that there are limitations, that we have to tighten our belts and forge ahead. Thank you very much. [end recording]

Refinery Union Leaders Arrested

PA122301 Panama City Radio Mundial in Spanish 2246 GMT 12 Mar 86

[Text] Humberto Blandon and Luis Tamayo, secretary general and deputy secretary general respectively of the Union of Employees of the Panama Refinery, have just been arrested by the National Guard [National Defense Forces]. The National Guard is trying to enter the facilities of the refinery, and into Texaco's storage area. Cadena Mundial urges workers and Conato to support and voice their solidarity with the arrested leaders, and to demand their immediate release.

Government To Guarantee Fuel

PA120133 Panama City Televisora Nacional in Spanish 0000 GMT 13 Mar 86

[Text] Jorge Federico Lee, Panamanian labor and social welfare minister, was interviewed regarding the situation unleashed by Panama Refinery and the shortage of fuel.

[Begin recording] The strike under way at Panama Refinery is a very serious one. The result of this strike is already being felt because the country is beginning to experience a fuel shortage. Perhaps what is most serious is the fact that the country is beginning to feel a shortage of gas. In view of this, I think that it is very important to clarify that the refinery is a strategic industry and the union leaders must be made to understand this. A refinery is not something you can play with. Therefore, for the past 3 days the government has been talking with refinery workers who are members of the union. If an agreement is not reached through this dialogue, then the government will have to take action to guarantee the supply of fuel to the country. [end recording]

Ministers Deny Foreign Pressure

PA130421 Panama City ACAN in Spanish 0357 GMT 13 Mar 86

[Text] Panama City, 12 Mar (ACAN-EFE) -- The Panamanian Government today denied that the economic reforms it is attempting to implement are basically aimed at adjusting to a plan imposed by the international financial organizations for the renegotiation of the foreign debt. Three of Eric Arturo Delvalle's ministers held a press conference today to report on the contents of the three bills that have unleashed an indefinite general strike that began on Monday.

"Panama has to reorganize itself economically, even if it has or does not have to renegotiate its foreign debt," Bernardo Cardenas, Panamanian commerce and industries minister, said. Minister Cardenas expressed the need Panama has "to confront its domestic commitments, not only the foreign ones."

The high-ranking officials responded to the charges presented by the main labor unions to the effect that the economic plan was imposed by the World Bank and the IMF as a condition to renegotiate Panama's 1985 and 1986 foreign debt in the amount of $597 million. Panama's total foreign debt is $4 billion, the highest "per capita" on the American continent.

The government plan includes amendments to the labor laws, abolishes several protectionist measures enjoyed by the industrial sector, and establishes a new plan for the agricultural sector. The major labor unions reacted to the bills, which were also rejected by the industrial and business sectors, by starting on Monday a general strike for an indefinite duration of time.

Minister Cardenas said that his department's bill is designed to increase production, "to prevent highly protectionist companies from being established in the future," and to "make industry more competitive."

Agricultural Development Minister Bruno Garisto, for his part, presented a 5-year plan that will affect the 160,000 workers of the agricultural sector, which generates 10 percent of the country's gross national product.

Jorge Federico Lee admitted that the Labor Code reforms are the "most controversial" issue of the government's plan, while insisting that it only seeks to increase productivity, improve workers' incomes, and produce better merchandise at lower costs.

The reforms to the labor laws include production bonuses, compensation for piece work, and a lowering of overtime pay, all designed to generate more employment.

COSTA RICA

ARIAS, MONGE INVITED TO REGIONAL LEADERS' MEETING

PA122219 San Jose Reloj in Spanish 1200 GMT 12 Mar 86

[Text] President-elect Oscar Arias Sanchez has confirmed that he will attend the meeting of Central American heads of state scheduled to be held in Esquipulas, Guatemala.

He made the statement at the end of a meeting with Guatemalan Vice President Roberto Carpio Nicolle, at which Vice President-elect Jourge Daniel Dengo was also present. Carpio is in Costa Rica to invite President Luis Alberto **Monge** to attend the meeting in Esquipulas, which will probably be held during the third week of May on the initiative of Guatemalan President Vinicio Cerezo.

Arias remarked that if the meeting of heads of state is held he would attend it as constitutional president of Costa Rica. (?He added that) he also talked with Carpio about the possibility of holding meetings at the vice presidential level prior to the meeting in Esquipulas in order to draft the agenda of the summit. Arias noted that this agenda must be drafted beforehand.

In addition, the president-elect said that every initiative toward unity among the Central American countries is a step forward in the struggle to achieve a peaceful settlement of the conflict in the region. I think that everything that involves getting to know each other better and sitting down to talk is a step forward, Arias remarked. For this reason, I have agreed to attend the Esquipulas meeting if it is held.

Arias, who suggested that the Panamanian president be invited, feels that it is important to find a forum to engage in dialogue even if deep differences do exist among the Central American nations.

The Guatemalan vice president noted that Central America is now reaching an unprecedented democratic stage. Our peoples thirst for democracy, and Costa Rica is a good example because Costa Ricans carry it in their hearts and practice it, Carpio said. He added that that is why it is felt that the democratic system is the best for the region, and for this reason President Cerezo always says that active neutrality for democracy is upheld.

In addition, the Guatemalan vice president said that the peoples want democracy in Central America, and for this reason it is important to talk and understand each other. Carpio said that his country wants and seeks dialogue in the region and voiced hopes that it will be achieved.

Following the meeting with the Guatemalan vice president, Arias met with Mexican Deputy Foreign Secretary Ricardo Valero. At this second meeting, the two politicians exchanged greetings and overall views regarding Central America and the need to seek political solution to the conflict.

Vice President Carpio told President Monge that his country and his government admire and respect Costa Rica. Costa Rica's democracy is an example to the Americas and the world and you, Mr President, have done magnificent work as president, added the special envoy of President Vinicio Cerezo, who arrived yesterday and met with Rafael Angel Calderon, former presidential candidate, President-elect Arias Sancehz, and President Monge. He reiterated President Cerezo's invitation to attend the meeting of Central American presidents to be held in Esquipulas in the next few weeks.

Commenting on the results of the elections in his country with President Monge, Carpio said that Guatemala has begun the road toward democracy. He stressed that 70 percent of the electors voted for President Cerezo and the remaining 30 percent also voted for a democratic party, which means that our people want democracy. As demonstrated by Costa Rica, this is a good system, he added.

For his part, President Monge told him that 98 percent of the voters who went to the polls in Costa Rica voted for the two largest parties, which are democratic.

Upon expressing thanks for the invitation from President Cerezo to attend the meeting in Esquipulas, President Monge said that he still does not know if he will be able to attend. He reiterated that he thinks it would be more advisable that President-elect Oscar Arias do so a few weeks before assuming power. However, he left open the possibility of eventually making the trip because he thinks that the efforts proposed by the Guatemalan president to establish a regional forum are positive.

MONGE ON NICARAGUAN LEADERS' 'INTRANSIGENCE'

PA120455 San Jose Radio Reloj in Spanish 1200 GMT 10 Mar 86

[Text] Acknowledging that the regional crisis has worsened because of the Nicaraguan position, President Luis Alberto Monge has stated that Nicaragua's rejection of El Salvador's proposal demonstrates the intransigence of Nicaragua's leaders. He said that if he asked Napoleon Duarte to talk with the guerrillas, and if at one time it became necessary to bargain with the kidnappers of the Salvadoran president's daughter, in which he acted as a mediator, then he cannot see why the Nicaraguan commanders cannot be asked to negotiate with the insurgents. Monge Alvarez reiterated that only through dialogue and a consensus can regional peace be achieved. With the rejection of the president of El Salvador's proposal that negotiations be carried out simultaneously with the Salvadoran and Nicaraguan guerrillas as an effective step toward reaching Central American peace, President Luis Alberto Monge Alvarez believes that the Nicaraguan leaders do not honor the rights and desires of our peoples.

Our peoples hope that through talks the war and death that is causing so many victims in El Salvador and Nicaragua will be ended, the president added. In this regard, he said that the proposal of the Salvadoran president opens the possibility of a peaceful solution to the Central American conflict.

ARIAS SATISFIED WITH HABIB APPOINTMENT

PA120449 San Jose Radio Reloj in Spanish 1200 GMT 10 Mar 86

[Text] Dr Oscar Arias is favorably inclined toward the appointment of Ambassador Philip Habib. Describing Habib as one of the most able U.S. diplomats, President-elect Oscar Arias Sanchez said that he looks favorably on the appointment of Philip Habib as roving ambassador to Central America. He expressed the hope that Habib will be successful in his new mission, as he has been in the pacification of the Middle East and on other continents and hopes he can do the same in strife-torn Central America.

Arias Sanchez said that we all want a peaceful negotiated political solution to the differences existing between sister Central American countries, and that he believes that the talent, experience, and knowledge of the new roving ambassador are going to be very important, and will be a further step toward finding a peaceful solution to the Central American problems.

Another example of Sandinist intransigence and an indication that the Sandinists are not doing their part in seeking a solution to the Central American crisis is the way President-elect Dr Oscar Arias Sanchez described President Daniel Ortega's rejection of the proposal made by Salvadoran President Jose Napoleon Duarte to talk simultaneously with the guerrillas.

Dr Oscar Arias stated that all of us who are willing to add our grain of sand to ensure dialogue and not violence and war will decide the outcome of conflicts feel a great deal of frustration and discouragement.

EL SALVADOR

BUSINESSMEN CRITICIZE DUARTE 'SMOKESCREENS'

PA120155 Hamburg DPA in Spanish 2110 GMT 10 Mar 86

[Text] San Salvador, 10 Mar (DPA) -- Salvadoran business sectors accused President Jose Napoleon Duarte today of setting up "smokescreens" to distract opponents' attention from the economic package he plans to implement that imposes all kinds of taxes on the people.

Victor Steiner, president of the influential Chamber of Commerce and Industry of El Salvador, said today that Duarte's latest "maneuver" is that of suggesting a third meeting with the guerrillas in order to continue the dialogue, but now he is "linking" his proposal to a request that Daniel Ortega do the same with rebels in his country.

"It has been demonstrated twice that dialogue with the Salvadoran terrorists does not lead to any positive solution," the Salvadoran business leader said.

The Salvadoran businessmen, from medium-sized to large firms, including agricultural enterprises, have organized a business unity forum to defend economic freedom and national recovery scheduled for next Thursday.

In this forum, the negative effects of the latest economic measures adopted by Jose Napoleon Duarte's Christian Democratic government will be reviewed.

Salvadoran business leaders Steiner, Roberto Ortiz Aval, and Carlos Enrique Palomo said that it will not only be an analytical forum, but that conclusions and recommendations resulting from it will be presented to the government.

The businessmen said that the president has reformed some of his measures, but the private sector believes the changes are "cosmetic" or simply "insignificant."

The businessmen said, for example, that President Duarte eliminated a selective tax on consumption of certain imports from within and outside the area, but this elimination is useless, since importing such products is banned anyway.

They also said that the president had increased the cost of a gallon of high octane gasoline by 3.50 colones and later, in the framework of his "reconsideration," lowered it by 0.30 centavos. Until January, the gallon of high octane gasoline cost 6.40 colones in El Salvador, and it was then increased to 9.70. A few weeks ago, the president lowered the price to 9.40 colones. [all figures as received]

The business leaders also criticized Duarte's government for what they described as pressuring public employees into supporting his measures through organizations that receive foreign aid or financing, mainly from the United States.

MNR'S UNGO TERMS DUARTE PROPOSAL 'MADNESS'

PA121541 Madrid EFE in Spanish 1401 GMT 12 Mar 86

[Excerpts] Madrid, 12 Mar (EFE) -- Guillermo Ungo, leader of the Salvadoran National Revolutionary Movement, MNR, termed "madness" the offer by President Duarte to condition negotiations with the Salvadoran guerrillas on the Sandinists negotiating with the Nicaraguan "contras."

Ungo, whose party is part of the Socialist International, passed through Madrid on his way to Stockholm where he will attend the funeral of Olof Palme, after attending the inaugural of President Mario Soares in Lisbon.

In statements to EFE, the MNR leader affirmed that the opposition forces in El Salvador cannot accept the condition that negotiations between the government and the guerrillas depend on the Nicaraguan Government's agreement to negotiate with the "contras," "because this is supportive of the Reagan strategy."

"President Duarte," he said, "has always favored an internal negotiation between the government and the opposition forces, without foreign participation. Therefore, we cannot understand why he is now connecting the two conflicts. We have nothing to do with Nicaragua in that sense. The problems are specific to each nation, although both may be disputed areas."

Duarte made his proposal on 4 March.

Ungo stated that dialogue between the government and the opposition is possible, as was evidenced in the meetings with Duarte on 15 October and 30 November 1984 which established the bases of negotiation, but Duarte "did not fulfill what was agreed to then."

Of the three points agreed: continuation of the dialogue, formation of a joint commission (the regulations of which were approved), and release of the persons wounded in the war and exchange of prisoners, Duarte "did not fulfill any of them," according to Ungo, and this was achieved only after the guerrillas kidnapped the president's daughter.

Ungo said that Duarte has interfered with the dialogue for 16 months, arguing that the conditions are not favorable for negotiation and that economic reforms must first be carried out, thus proposing waiting for 8 more months.

Ungo views the Central American prelate's stand in a different manner. While he considers the credibility of Salvadoran Archbishop Rivera y Damas in the government and in the opposition and in his position as mediator, he does not feel the same about Nicaraguan Cardinal Obando y Bravo. The FDR leader that his country's church has a strong social force.

The Salvadoran conflict can be solved in the medium term and only through internal negotiations, and he insists that the United States is trying to stretch the situation out because 6 years ago it said that the situation could be solved in 6 months, and now it insists that the matter will take a couple of years.

He explained that the USSR is not aiding the Salvadoran guerrillas and that the United States "is making such a bad show in the zone that the USSR is getting its influence served on a platter, without investing anything."

Regarding the situation of Central America and the Contadora's role, Ungo told EFE that this group of countries cannot do it all; that it can present the Latin American stand -- which differs from that of Reagan -- with the fundamental objective of dissuasion and that its mission is to contribute to establishing the conditions for dialogue.

"In any event," he said, "there cannot be a joint total solution for peace in Central America, as each country must decide on its own solutions."

He harshly criticized the request for economic aid to the Nicaraguan "contras" by the U.S. President and said that the United States invests $1.5 million in his country each day in military aid to the government.

Despite this aid, he is optimistic that the guerrillas will triumph because they are popular, because the people want it, and it is impossible to defeat the peoples, as seen in Vietnam, "which the United States cannot see," he noted.

Regarding Spain, he expressed appreciation of the position announced at the United Nations on the human rights situation in his country and the fact that it received those maimed in the war, although he stressed that the Spanish Government maintains a neutral position, as evidenced by its official acceptance of President Jose Napoleon Duarte's visit.

FMLN FURTHER CRITICIZES DUARTE DIALOGUE PROPOSAL

PA121837 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Mar 86

[Station commentary: "Napoleon Duarte, a Loyal Puppet"]

[Text] Napoleon Duarte has announced a proposal, which is supposedly new and supposedly his initiative, not only for El Salvador, but for Central America's area, as well. The truth is that Duarte's latest proposal does not contain any new elements that could help achieve peace in El Salvador, much less for Central America. It is not even his initiative. Duarte, with his proposal, is just another piece in Ronald Reagan's propagandistic scheme. Duarte's proposal merely consists of a summit of Central American presidents, the creation of a Central American Parliament -- which is not Duarte's but Vinicio Cerezo's idea -- and the simultaneous meetings between the Nicaraguan Government and the counterrevolutionary mercenaries and between the FMLN-FDR and Jose Napoleon Duarte. This proposal is the most recent one presented by Napoleon Duarte following Reagan's orders, just when the latter is fully immersed in a struggle with the U.S. Congress to obtain approval for the $100 million package for the counterrevolutionary mercenaries.

The Washington hierarchs are demanding the approval of the $100 million package for the miserable mercenaries crying for a quart of oil in the United States, but cannot even concoct a (?simple) story to justify the already-consumed $27 million granted by Reagan last year. In 6 years of struggle, the contras have neither won a minimum of popular support, nor have they managed to have any political influence in the country.

As the genocidal mercenaries themselves have said, they are totally dependent on the U.S. dollars in order to at least stay alive in Honduran territory. The problem of the mercenaries' survival is grave and vital for Ronald Reagan. A total defeat would have a profound political effect on the U.S. Government. A total defeat of the mercenaries would be added to the list of setbacks suffered by U.S. imperialism in the world, and would further discredit Reagan's super-warmongering policy.

This explains the great efforts undertaken by the Reagan administration to obtain approval for the $100-million package. The effort not only includes an offensive by U.S. Government officials, but Reagan has also sent his warships to Central America. Military maneuvers are taking place in Honduras, and of course, Napoleon Duarte, his most loyal puppet, pulls the chestnuts out of the fire for Ronald Reagan and his contra package by making his proposal, which is aimed only at complementing imperialism's campaign for obtaining approval for the $100 million.

For Duarte, just as all the political components of his project, dialogue and negotiations are like a game, part of the maneuver. The social pact is a game; the agrarian reform is also a game; respect for human rights is only playing with words.

Only a few weeks ago the FMLN and the FDR presented the latest serious proposal for the continuation of talks, and Duarte replied that there would be no political opportunity, that there would be no political opportunities for a dialogue in the next 8 months. However, now that it can help Reagan's propaganda, Duarte gives political opportunities overnight in shameful display of total submissiveness as a puppet, and presents his proposal.

Duarte thinks nothing of ignoring the agreements established at the La Palma and Ayagualo meetings. He cares nothing for the church as a mediator. Duarte is simply not serious when he speaks about a dialogue. He is only fulfilling one of Ronald Reagan's political needs. He forgets that the FMLN is sovereign, that we act within the framework of national interests. Once again, with this proposal, Duarte bares himself. He shows his poverty, servility, and political defeatism, he turns his back on national interests, and once again dances to the Reagan administration's tune.

Apart from the puppet show Duarte put on with the proposal, what has surfaced is Duarte's failure to discern the correlation of forces in the area. In the case of Reagan's mercenaries, what can they negotiate? From what position, and with what strength? The only thing the contras can negotiate, judging from their situation, is their surrender and amnesty for those who have served as peons of the imperialist aggression against Nicaragua, and who have not been able to overpower the Nicaraguan people who have fought for their revolution and sovereignty.

In El Salvador's case, the real situation is that the FMLN has expanded the war's theater of operation throughout the entire national territory. It has broadened its representation, and the people's support is the clearest reaffirmation of deep popular roots. The evidence of and objective duality of power in the country is proof of the development and capability achieved by the FMLN.

This is most eloquently expressed in the intense attrition suffered by the puppet army's living forces. Blows in vital areas include the paralyzation of land transportation decreed by the guerrillas, the invaluable deterioration of the country's electric system, and the breakdown of the country's economy, which is near collapse. Meanwhile, the Christian Democratic regime is trying to demonstrate that the people support its project, but it cannot even gather 1,000 people.

The government's total dependence on Yankee dollars for survival is similar to that of the counterrevolutionary mercenaries. Both have shamelessly admitted this publicly. Yankee dollars, for Duarte and for the Somozist mercenaries, are their only support. The FMLN does not need logistic support from abroad. The FMLN's support for the people's war comes from the people themselves. Of 6,084 casualties inflicted on the puppet Army in 1985, 42 percent resulted from the accurate use of popular arms manufactured entirely in our country.

Therefore, Duarte's proposal of simultaneous dialogue is only another puppet show by Reagan's most faithful puppet. Duarte wants to make a propagandist game of the dialogue and negotiation to support the imperialist interventionist policy in Central America.

Dialogue, negotiation, and peace are some of the demands the people have made of the regime in large demonstrations. We believe that there still is time for a serious dialogue and negotiation in favor of the national interests. The longer we take, the more unfavorable the correlation will be for Duarte. It is useless to put off the dialogue with the vain hope that in time the situation will shift in the government's favor.

Once again, Napoleon Duarte's willingness to hold talks is tested. The FMLN-FDR has made serious proposals for the past 15 months, and Duarte's answer has been a refusal. Once again within the next few days, the government's willingness to hold talks will be tested in the people's full view. This willingness is a propagandist maneuver, a tactical dialogue on the Duarte regime's part.

Salvadorans are aware of the fact that the people are demanding the dialogue, justice, and peace.

INTERNATIONAL DOCTORS' GROUP MEMBERS RELEASED

PA121624 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Mar 86

[Text] On Sunday four foreign doctors were arrested by troops of the Duarte regime and sent to the Treasury Police headquarters, where they were held until Wednesday. The four doctors -- two Frenchmen, one Dane, and one Spaniard -- were released, but they were prohibited from practicing their profession in our country.

It has been reported that the four are members of the humanitarian organization Doctors of the World. This organization is comprised of European doctors, especially from France. A large part of its financing comes from the EEC. Doctors of the World operates to help affected civilians in countries where there are conflicts.

The Doctors of the World members have been working in our country since 1982 and have been basically involved in helping the displaced civilian population. The aid they provide to the displaced population is very valuable because it is very efficient and free of charge.

Nevertheless, it seems that the puppet Army feels that it is a crime to help the civilians affected by the war. It not only harasses and oppresses the civilian population and turns the civilians into displaced population. For the repressive Army, the only valid thing is extermination, assassination, and the destruction of the property of the civilians and the peasants.

For the puppet Army, the only foreigners who are welcomed are those who come from the United States, dressed in olive green uniforms to train the regime's battalions in assassination and depopulation techniques.

In our country there are currently approximately 500,000 displaced persons. There are half a million displaced persons who do not receive any help or medical attention. In light of this situation, the fact that the Army arrested four doctors who are trying to help the critical situation of the displaced persons shows the puppet Army's hostility towards the civilian population.

In a country where there are 500,000 displaced persons who do not receive any services and in the best of cases receive very bad services the importance of the help provided by humanitarian organizations such as Doctors of the World, Caritas, Doctors Without Borders, and others, increases. Nevertheless, for the generals and colonels of the High Command, it is a crime for doctors to come help the thousands of peasants who have been displaced by the regime.

It is due to such evident actions that resolutions are constantly issued in the United Nations and the OAS condemning the Duarte government for being a human rights violator.

FMLN ORDERS TRANSPORTATION STOPPAGE 10 MARCH

PA121401 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Mar 86

[Text] Attention, drivers in the entire national territory. The General Command of the FMLN has ordered a national transportation stoppage as of the early hours of next Monday, 10 March. A national transportation stoppage is ordered to reject the policy of genocide against the civilian population carried out by Napoleon Duarte's government, to reject the economic package against the people. A national transportation stoppage is ordered as of Monday, 10 March, in the entire national territory, on all of the main and secondary highways, to reject the bombing of civilians, to reject the package in favor of hunger and poverty. The General Command calls on all our military units in all the national territory to carry out this order in the strictest manner.

HONDURAS

COMMENTARY VIEWS CONTRA AID CONTROVERSY

PA121822 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 11 Mar 86

[From the "Current Topics" feature]

[Text] The statements issued during 2 consecutive weeks by top-ranking officials in President Ronald Reagan's administration have put the Honduran Government in an uncomfortable position. U.S. Secretary of State George Shultz said 2 weeks ago that Honduras no longer represented a problem for the aid to the contras. U.S. Defense Secretary Caspar Weinberger's turn came last week; he circulated through the world his opinion about the alleged aid the Honduran Government is giving to the contras. The U.S. news media -- and naturally the Honduran news media -- have prominently reported these two news items, which were immediately rejected by the Honduran Government, beginning with the statements issued by Foreign Secretary Carlos Lopez Contreras at the conclusion of a National Defense Council meeting, where they surely learned about and discussed these statements that damage the international image of Honduras and its new government -- which has barely completed its first 40 days.

The president of the Republic, evidently surprised by Caspar Weinberger's assertion that the Honduran Government has authorized the delivery of aid to the contras in its national territory, replied: I do not know where this came from, because we did not even discuss that topic in my talks with the assistant U.S. secretary of defense. The Honduran president's statements were issued at the Presidential Palace to national reporters who asked him about this. On Wednesday, 6 March, foreign secretary clearly asserted that President Azcona's government had not offically authorized the United States to deliver aid to the Nicaraguans who are fighting against the Sandinist regime. The Honduran president did not hold an interview with U.S. Defense Secretary Caspar Weinberger, but with Assistant Defense Secretary William Howard Taft. Who knows what strange reasons moved the official in charge of the United States' strategic security to issue the inopportune statements that have stirred up the wasp's nest of public opinion, and prompted high-ranking officials in the Honduran public administration to adopt a defensive position in an attempt to neutralize the negative effects of these statements, which were, suprisingly, unexpected.

President Jose Azcona added in his statements that the National Congress of Honduras has agreements and protocols that aptly define the type of military aid acceptable between Honduras and the United States, through our Armed Forces. Speaking specifically of aid to the contras, he said he knows the United States was very worried because Congress is not making it easy to obtain this aid. Although the Honduran president was referring to the U.S. Congress -- where President Reagan's request for $100 million has only been approved once and defeated three times -- it is important that the Hondurans know the Honduran National Congress' stand concerning this situation.

Just for the record, it is reported that the statements made by the president of the National Congress, Carlos Orbin Montoya, have satisfied the people's concern. Leaving for no room for captious interpretations, Montoya said: I hereby state that using our national territory for such purposes has not been authorized. Besides, the National Congress should know about this.

A national reporter recently asked him: Well then, who is lying? The question might have been more diplomatic and would have yielded the same results if he were asked: Well then, who is telling the truth? We admit that one must be careful in both style and format.

In Washington, Secretary of State George Shultz, Defense Secretary Caspar Weinberger, and Deputy Defense Secretary William Howard Taft have implied that the contras can be helped from Honduras. In Honduras, the president of the Republic, Foreign Secretary Carlos Lopez Contreras, and the president of the National Congress, Carlos Orbin Montoya, have emphatically denied that there is any such authorization for delivering aid to the contras in that manner and have reaffirmed that lending our national territory for such purposes has not been officially authorized. They also said they are unaware of the reasons that such statements were made in the United States, and that any authorization does not depend only on the Executive Branch or the Armed Forces, but must be previously approved by the deputies during the regular sessions of the Congress of the Republic.

Undoubtedly, a misinterpretation or a bad interpreter is responsible for the unacceptable U.S. remarks. The emphatic statements made by the Honduran high-level officials clearly state our government's official stand. If we tried to find an explanation for the statements by the U.S. secretaries of state and defense, we might think that they tried to pass on to public opinion the wishes of the Reagan administration, which have not, evidently, even been discussed with the Azcona Hoyo administration.

If the idea was to exert pressure to reach that goal, then the tactic -- which has been a mistake so many times before and has created unnecessary international tension -- has alerted the new Honduran administration, which will surely be more careful in the future when meeting with the envoys of the U.S. Government who frequently visit Honduras.

It has been announced that Philip Habib will be arriving shortly. His reputation is so filled with many successful achievements, that he is called President Reagan's star negotiator. You will probably remember his name: Philip Habib. He has been in the Middle East and lately in the Philippines when Corazon Aquino rose to power. Let us hope that Habib is aware of the remarks from Washington that have displeased the Honduran Government and people, and that the error that created unnecessary problems for our friend and ally will not be made again.

Honduras is aware of the difficult situation prevailing among the Nicaraguan opposition that is fighting against the Sandinist dictatorship. However, the United States should also be aware of the responsibilities we Hondurans have to our fatherland. Thus, it would be good diplomacy and in line with the friendship we have always had with our northern friend if the incorrect remarks that provoked a shower of rude and [words indistinct] against our government and country were to be eliminated, and would be a reciprocal agreement.

NICARAGUA

ORTEGA CALLS CONGRESS DEBATES 'IMMORAL, ILLEGAL'

PA130415 Managua Domestic Service in Spanish 0305 GMT 13 Mar 86

[Text] President Daniel Ortega Saavedra today described as immoral and illegal the debates on $100 million in financial aid for the Somozist contras. Daniel Ortega termed the debates on the $100 million in financial aid for the mercenaries immoral, illegal, and lawless.

Speaking to reporters after meeting Guatemalan Vice President Roberto Carpio, President Ortega said that the U.S. Congress has no right to discuss the sovereignty of a people such as the Nicaraguans, as this violates international law and moral principles.

President Ortega said that the U.S. Congress has no authority to continue debate on the $100 million for mercenaries.

In addition, President Ortega said today that the Reagan administration is trying to impress public opinion with the appointment of Philip Habib as emissary for Central America, but that the United States is not interested in a negotiated solution to the regional crisis. Habib's appointment is a step to impress international public opinion, Ortega said, adding that his government has not considered the possible arrival of the U.S. envoy in Nicaragua. Nicaragua believes that the appointment of the star negotiator is a propagandistic move by Reagan in his campaign to obtain support in the U.S. Congress for the approval of millions of dollars for the contras.

Ortega considered the U.S. Congress debates on this aid illegal and immoral. They have no right to hold debates on Nicaragua's future, as we are not a U.S. colony or state, the president stressed.

Ortega made this statement to reporters, today at noon, following his meeting with Guatemalan Vice President Roberto Carpio, who avoided making direct reference to the $100 million in aid for the contras. However, he warned that it is necessary to renew the peace efforts, which rules out violence.

Carpio officially invited President Ortega to a summit of Central American presidents which is scheduled to take place in May in Esquipulas, Guatemala; the principal reason for the meeting is to discuss the regional crisis.

OFFICIALS TRAVEL TO SAN JOSE FOR BORDER TALKS

PA121513 Managua Radio Sandino in Spanish 1930 GMT 11 Mar 86

[Text] The Nicaraguan members of the Costa Rican-Nicaraguan border commission today left for San Jose where the second meeting of the commission will begin tomorrow. The Nicaraguan delegation is led by Deputy Foreign Minister Victor Hugo Tinoco and includes Captain Ricardo Wheelock and Foreign Ministry officials Ramon Leets Castillo and Oscar Cortes. The meeting that will begin in San Jose tomorrow will also be attended by the Contadora Group deputy foreign ministers.

STATE SECRETS BILL SENT TO ASSEMBLY COMMISSION

PA121450 Managua Radio Sandino in Spanish 0000 GMT 12 Mar 86

[Text] The plenum of the National Assembly today sent to the Security and Communications Media Commission the bill on state secrets presented by President Daniel Ortega Saavedra. The bill defines as a state secret all information whose knowledge by an unauthorized person affects or might affect the political, economic, and military security of the Republic as well as the regular functioning of the administrative activity. According to the bill, those who reveal secrets learned through duties will be penalized with 2 to 6 years imprisonment. If the disclosure of the secret leads to grave damage to the public cause, the sentence will be 6 to 12 years in prison. The public official or employee who takes advantage of his job to intercept, remove, publicly examine or embezzle private documents will be punished with absolute disqualification [inhabilitacion] from 1 to 3 years. According to the bill, if the abuse affects documents containing official information, the sentence will be 3 to 5 years in prison.

PLI 'NOT INVITED' TO CONSTITUTIONAL DEBATE

PA081621 Panama City ACAN in Spanish 0141 GMT 8 Mar 86

[Excerpts] Managua, 7 Mar (ACAN-EFE) -- The opposition Independent Liberal Party [PLI] today clarified that it has not been invited to participate in the television debate on the constitution, which will begin tonight.

Virgilio Godoy, president of the main opposition political force, told ACAN-EFE that the PLI has not been invited to participate in the political debates to be held among the six parties represented in the parliament.

"We know absolutely nothing about it," the Liberal political leader, who has become the country's main opposition figure, stated tersely.

Questioned by ACAN-EFE, Godoy, former labor minister of the Sandinist government from 1979 to 1984, said: "I don't know what you are talking about" and added that his organization "has not been invited and does not have the least knowledge of this."

The Communist Party, the Socialist Party, the Democratic Conservative Party, the Marxist-Leninist People's Action Movement, the Popular Social Christian Party, and the FSLN will discuss constitutional, political, and economic topics in the televised debate.

The Constitutional Liberal Party, the Social Christian Party, the Nicaraguan Conservative Party, the Social Democratic Party, and the Central American Unionist Party, which are not represented in the National Assembly, will not participate in the television debates.

PSC OPPOSES FOREIGN INTERVENTION, CONTRA AID

PA110441 Managua Radio Sandino in Spanish 1200 GMT 8 Mar 86

[Text] In an apparently new patriotic political stance, the rightist Social Christian Party [PSC] has expressed opposition to all foreign intervention in Nicaragua.

During a press conference before national and foreign reporters and contradicting what they have previously maintained, namely that the revolutionary government should hold a dialogue with the CIA mercenaries, Erick Ramirez Benavente, president of this extraparliamentary party, said that he opposes the granting of the $100 million that President Reagan is requesting for the counterrevolutionaries.

Regarding the latest statements of Bishop Pablo Antonio Vega, who met with counterrevolutionary leaders Arturo Cruz, Adolfo Calero, and Enrique Bermudez in Washington, Ramirez indicated: We are Christians, but the Catholic Church does not represent us, nor do we speak on behalf of it.

UNO WARNS AGAINST AGGRESSION TOWARD CARDINAL

PA111950 San Jose Radio Reloj in Spanish 0100 GMT 9 Mar 86

[Text] The Nicaraguan Opposition Unity, UNO, and the community of Nicaraguan Catholics have made the Sandinist military tyranny responsible for any direct or indirect personal aggression against Cardinal Miguel Obando y Bravo.

UNO and Catholic spokesmen said that there is religious persecution in Nicaragua reflected in the closing of the Catholic radio station, accusations against priests, and aggressions against Cardinal Obando y Bravo.

They added that they repudiate the (?sacrilegious) disrespect by the Sandinist regime through its Foreign Minister Miguel D'Escoto, who insulted Obando y Bravo by calling him an accomplice to the crimes of the Reagan administration.

CASTRO, GORBACHEV HOLD CORDIAL MEETING IN MOSCOW

FL122110 Havana Radio Reloj Network in Spanish 1202 GMT 12 Mar 86

[Excerpt] Mikhail Gorbechev, CPSU general secretary, met today in Moscow with Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee. A brief note released today indicates that Castro is passing through Moscow on his way back to Cuba, and the meeting was characterized by understanding and cordiality.

CASTRO, KIM IL-SONG SIGN COOPERATION TREATY

FL120354 Havana Television Service in Spanish 0100 GMT 12 Mar 86

[Text] A friendship and cooperation treaty between the DPRK and Cuba has been signed in Pyongyang. It was signed by Commander in Chief Fidel Castro and DPRK's highest leader Kim Il-song. The document says the expansion of all fraternal areas and solidarity between the two countries corresponds completely with the fundamental interests of the Korean and Cuban people.

The treaty also states that the two parties will maintain a systematic exchange of experiences in several areas of socialist construction and promote increased cooperation relations between political, social, and mass organizations from the two countries.

CASTRO THANKS KIM IL-SONG FOR HOSPITALITY

FL122134 Havana Radio Reloj Network in Spanish 1903 GMT 12 Mar 86

[Text] Fidel Castro, first secretary of the Communist Party of Cuba, has sent a message of appreciation to DPRK President Kim Il-song in which he expresses the Cuban delegation's gratitude for the warm friendship expressed during his visit to the DPRK. Having brotherly ties for more than 2 decades, Cuba and Korea have developed unbreakable fraternal ties and mutual solidarity that has strengthened with time, said the Cuban commander in chief's message.

Castro added that he has the Hero of the DPRK award as a constant reminder of that friendship, which includes a permanent commitment of indestructable solidarity between the two peoples, parties, and governments. Castro expressed his deep appreciation for the attention paid to the entire Cuban delegation by Korean leader Kim Il-song.

SOVIET DELEGATION MEETS WITH CTC LEADERS

FL102314 Havana Radio Reloj Network in Spanish 1902 GMT 10 Mar 86

[Text] A Soviet delegation from the All-Union Central Council of Trade Unions began a round of discussions today with leaders from the Central Organization of Cuban Trade Unions [CTC] to analyze trade plans between the two organization. Vladimir Sergeyev, chief of international trade union relations [as heard] and of the Soviet delegation in Havana, spoke with Jesus Escandel, member of the CTC Secretariat, and Juan Augero, chief of the International Relations Department.

Other topics discussed during the meeting were exchange of delegations between the two trade union centers, emulation between enterprises and factories, and participation of Cuban leaders in Soviet schools.

The Soviet trade union delegation will tour centers of interest in Havana and Matanzas Provinces, meet with leaders, and participate in other activities.

NICARAGUA SIGNS 1986 COOPERATION AGREEMENT

FL121340 Havana Radio Progreso Network in Spanish 1200 GMT 12 Mar 86

[Text] The seventh meeting of the joint commission for economic, scientific, and technical cooperation between the Governments of Nicaragua and Cuba has ended with the signing of the program for this year by the presidents of both delegations. Ministers Henry Ruiz and Roberto Melendez signed the document, which summarizes agreements between Nicaragua and Cuba after 3 days of negotiations, characterized -- according to the final communique -- by the spirit of broad friendship and solidarity that corresponds to the relations between the two governments.

ARGENTINA, CUBA SIGN MARITIME AGREEMENT

FL110052 Havana Radio Rebelde Network in Spanish 0000 GMT 11 Mar 86

[Text] Argentina and Cuba have signed an agreement allowing frequent maritime traffic between the two countries for transporting bilateral export and import merchandise. The agreement was signed in Buenos Aires and will allow frequent travel from 20-25 days in the maritime line that will unite Cuba and Argentina and includes transporting general merchandise, liquids, and grains.

The agreement was signed by Cuban Transportation Vice Minister Jesus Perez Bencomo and Argentine Transportation Deputy Secretary Pedro Truco.

INTERNATIONAL SUGAR CONFERENCE OPENS IN HAVANA

FL102348 Havana Radio Reloj Network in Spanish 1912 GMT 10 Mar 86

[Excerpt] Upon inaugurating the international sugar conference, which began today in Havana, (Gilberto Guerenna), vice minister of the Ministry of the Sugar Industry, MINAZ, said that Cuba is striving for diversification of its sugary industry. Attending the first international conference on the high efficiency, maintenance, and exploitation of the sugar industry are 60 foreign delegates and 300 Cuban delegates who will exchange technical and scientific information through 15 March.

RELIGIOUS AFFAIRS OFFICIAL ON ECCLESIASTIC MEEING

PA130304 Havana International Service in Spanish 2300 GMT 12 Mar 86

[Interview with Jose Felipe Carneado, chief of the Communist Party of Cuba Central Committee Religious Affairs Office, by Radio Havana reporter Julio Dominguez, date not given -- recorded]

[Text] [Dominguez] We are in the office of Dr Jose Felipe Carneado, member of the Communist Party of Cuba Central Committee and chief of the Central Committee's Religious Affairs Office, who has kindly offered to answer some questions for Radio Havana. Dr Carneado, the Catholic Church has just completed the National Ecclesiastic Meeting of Cuba, after years of preparation. Could you give us your opinion of the meeting?

[Carneado] This meeting represents a commendable effort on the part of the Catholic Church in our country to join our socio-political reality. The meeting and its principles open a new chapter in relations between the state and the church in Cuba. We have read the working document which served as the guideline for the National Ecclesiastic Meeting of Cuba, and we definitely saw in it positive aspects which offer new and encouraging hope for the future of these relations. The working document drafted after discussions in the country's dioceses shows the intention, an intention which I call commendable, to progressively become part of our socio-political reality. This meeting represents one step forward in a substantial improvement in relations between the church and the Cuban state.

[Dominguez] How are relations between the established evangelical congregations in the country and the socialist state?

[Carneado] Relations with the evangelical congregations have always, as a general rule, been very good, very normal, without political confrontation, and we are very much interested in developing them further and maintaining them in the same spirit of understanding and cordiality.

[Dominguez] The Catholics are talking about a possible visit to Cuba by the pope. What can you tell us about this?

[Carneado] Well, not only Catholics, but newsmen all over the world are speculating about such a visit. I must tell you that so far this is not definite. However, we have not given up on the possibility of such a visit in the more or less near future. However, the pope's visit will not take place this year. We have learned that the pope will visit the United States in 1987, and based on this, speculation is that he could also visit our country. I repeat, a papal visit to Cuba is still possible, but there is nothing definite about the matter so far. As you realize, a visit of this nature, not just because he is the head of the church, but because he is the head of a state with which we have had diplomatic relations for more than 50 years, demands exquisite and careful preparation, so that both parties can enjoy the benefits of such a meeting.

FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 050 14 March 1986

ARGENTINA

Group of Six Sends Message to Reagan, Gorbachev B 1
Caputo on Peace Force for Central America B 1
Air Force Denies Purchase of Brazilian Planes B 1
Government Issues Communique on Lopez' Arrest B 2
CGT Issues Communique on 25 March Stoppage B 2

BOLIVIA

Reportage on COB Demonstration, Reaction C 1
    COB Leader on Goals C 1
    Interior Minister's Statement C 1
    Violence Reported C 3
    COB Leader Assesses Results C 3

BRAZIL

Libyan Mission Interested in Arms Purchases [FOLHA DE SAO PAULO 11 Mar] D 1

CHILE

Interior Minister Garcia Commemorates Constitution E 1
    Opposition Scores Garcia Speech E 8
    Saldivar Comments E 9
    Officials Praise Speech E 10
U.S. Ambassador 'Unaware' of Condemnation E 11
Political Activities Information Ban Lifted E 11

COLOMBIA

Foreign Minister Responds to U.S. Criticism F 1
    No Official Protest F 1
Ramirez Ocampo Defends Efforts in Contadora [EL TIEMPO 8 Mar] F 1
Senator Galan Withdraws Presidential Candidacy F 2

ECUADOR

Febres Cordero Accepts Pineiros' Resignation G 1
Vargas Seizes Quito Base; Crisis Renewed G 1
    Vargas Supporters Claim Seizure G 1
    Vargas Calls for Support G 1
    Vows 'To Fight Tyrant' G 2
    Vargas on 'War Footing' G 2

    - Official Spokesman on Situation G 3
    - Manta Base Backs Vargas G 6
    - State of Emergency Declared G 6
    - Chamber Forms Mediating Group G 7
    - Radio Stations Closed Down G 8
    - Officers Urged To Surrender G 8
    - Albuja Asks 'Separation' G 9
    - Army Seizes Sucre Runway G 9

PARAGUAY

- Colorado Party Warns U.S. Envoy On 'Meddling' H 1
- Government To Control Prices of Staples H 2
  [EL DIARIO 8 Mar]

PERU

- Garcia Departs for Argentina on 3-Day Visit J 1
- Terrorists Black Out Lima, Other Cities J 1
    - Unleash 'Fierce' Attacks J 1
    - Threaten To Kill Officials J 2

VENEZUELA

- COPEI Leader Says Debt Agreements Harmful L 1
  [EL NACIONAL 1 Mar]
- Government Replies to COPEI Statement on Debt L 2
- Minister Comments on Stand at Next OPEC Meeting L 3

MEXICO

- Government To Negotiate Debt With 5 Countries M 1
- Finance Secretariat Reduces Petroleum Ceiling M 1
- President De la Madrid Tours Tlaxcala State M 1

PANAMA

- National Strike Against Labor Reform Continues N 1
    - Conato Rejects Proposal N 1
    - Forces Occupy Refinery N 2
    - Strike Actions Detailed N 3
      [STAR AND HERALD 13 Mar]
    - Ministers Hold News Conference N 4
      [CRITICA 13 Mar]
    - PDC Opposes Bills N 6
      [LA PRENSA 13 Mar]
- Delvalle on Economic Proposals, Doctors Strike N 6
- Legislator Opposes U.S. 'Meddling' in Country N 8
  [EL SIGLO 13 Mar]

CENTRAL AMERICA

EL SALVADOR

Duarte May Grant 'Safe-Conduct' to FMLN Leaders P 1
FMLN-FDR Postpones Trip to San Salvador [Venceremos] P 1
Venceremos Comments on Philip Habib's Arrival P 2

GUATEMALA

Army Blames FAR for Salvadoran's Death P 2

NICARAGUA

Alleged CIA Agent Presented at Press Conference P 3
    Note Sent to U.S. Embassy [ACAN] P 9
Tinoco Remarks on Signing Contadora Document [DPA] P 10
FMLN Denies Reports on Cease-Fire Proposal P 10
PCD Approves Participation in Open Meetings P 11

CUBA

Castro Seen Off in Moscow by Shevardnadze Q 1
    Returns Home Q 1
Rafael Rodriguez Departs Moscow for Sweden Q 1
    Funeral Delegation Named Q 1
    Arrives in Stockholm Q 2
U.S. Response to Gorbachev Test Ban Proposal Noted Q 2

GROUP OF SIX SENDS MESSAGE TO REAGAN, GORBACHEV

PY102132 Buenos Aires TELAM in Spanish 1626 GMT 10 Mar 86

[Text] Buenos Aires, 10 Mar (TELAM) -- The Group of Six (peace initiative of the five continents), today sent a message to President Ronald Reagan and to CPSU General Secretary Mikhail Gorbachev, expressing concern over the fact that no concrete measures have yet been adopted to prevent an arms race in space, and to end the one on earth.

The document adds that as long as nuclear weapons exist there will be no security in the world, and that we all live confronted with the dreadful possibility of seeing ourselves annihilated in a nuclear holocaust, either accidentally or intentionally.

The Group of Six is made up of the chiefs of government and state, of Argentina, Mexico, India, Tanzania, Greece, and Sweden.

CAPUTO ON PEACE FORCE FOR CENTRAL AMERICA

PY131751 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1515 GMT 13 Mar 86

[Excerpt] Buenos Aires, 13 Mar (NA) -- Foreign Minister Dante Caputo today noted that the Argentine Government's decision to send an observation and patrol force to the Costa Rican-Nicaraguan border "is subject to an invitation to be extended by the Contadora Group."

He added that the sending of this intercontinental force is also subject to "the conclusion of a very complex regulation."

Caputo stated that this is not "a peace force made up of military personnel, of uniformed personnel carrying guns, like the UN 'blue helmets,' but an observation and patrol group that will patrol a conflictive area."

(?The foreign minister made this statement) at the end of a ceremony at which U.S. Ambassador Frank Ortiz donated to the Foreign Ministry a 200-volume collection containing all the treaties that have been signed since the Treaty of Peace of Westfalia in 1648 to the Treaty of Versailles in 1918.

AIR FORCE DENIES PURCHASE OF BRAZILIAN PLANES

PY132023 Buenos Aires TELAM in Spanish 2346 GMT 12 Mar 86

[Text] Buenos Aires, 12 Mar (TELAM) -- A spokesman for the Argentine Air Force has denied the purchase of 30 Tucano training planes from Brazil and stated that the institution is not carrying out any reequipment plan.

Various news media had published reports of the deal, based on information received from Brazil quoting Embraer [Brazilian Aeronautics Company] sources.

The Argentine military spokesman said that the only project between Argentina and Brazil is an agreement for technical industrial cooperation aimed at taking advantage of the expertise available in both nations, for a joint project to build an internationally acceptable aircraft.

GOVERNMENT ISSUES COMMUNIQUE ON LOPEZ' ARREST

PY142358 Buenos Aires TELAM in Spanish 2252 GMT 13 Mar 86

[Text] Buenos Aires, 13 Mar (TELAM) — The Interior Ministry issued a communique tonight on the arrest of former Social Welfare Minister Jose Lopez Rega.

Herewith is text of the communique:

Today, Mr Jose Lopez Rega turned himself in to U.S. officials at the Miami airport, where he had arrived from the Bahamas. Lopez Rega is being held by the U.S. courts at the request of Argentine judges who are hearing cases against him. Upon receiving information that Lopez Rega had requested his passport through a third party at the Argentine General Consulate in Miami, the Argentine judges updated their request concerning Lopez Rega's arrest. In a public hearing today, a U.S. judge turned down a petition filed by Lopez Rega's lawyer requesting his release on bail. Lopez Rega is being held at a Miami detention center at the disposal of the U.S. courts. The provisions outlined in the Argentine-U.S. extradition treaty will be followed in his case.

CGT ISSUES COMMUNIQUE ON 25 MARCH STOPPAGE

PY131629 Buenos Aires TELAM in Spanish 0039 GMT 12 Mar 86

[Text] Buenos Aires, 11 Mar (TELAM) -- After a meeting, during which the General Confederation of Labor [CGT] decided on the characteristics of the stoppage scheduled for 25 March, it released a communique reiterating its criticism of the government, which concentrates all its propaganda on an effort to justify the fulfillment on the recessive IMF guidelines.

The communique announces that the stoppage scheduled for 25 March will last from 1200 to 2200 and that it will include Buenos Aires and neighboring areas within a radius of 60 km.

The delegations from the interior of the country were authorized to join the stoppage in accordance with the labor rules in effect in each zone.

Another resolution urges the workers to step up their actions to once more confirm the repudiation of the majority of the people of the measures castigating our nation.

The CGT leaders also confirmed that the 26-point statement drawn up by the CGT is in force, as well as the statement released by the plenary meeting held in Corrientes.

REPORTAGE ON COB DEMONSTRATION, REACTION

COB Leader on Goals

PY121651 La Paz Cadena Panamericana in Spanish 1130 GMT 12 Mar 86

[Text] As announced, the Bolivian Labor Confederation [COB] - sponsored protest march in defense of education, health, and other issues, to be arranged and implemented by the departmental labor federations, will be held today.

What will happen in the future is worrisome because the trade union leaders say that this is the beginning of their struggle to achieve the restoration of their violated rights. Therefore, Radio Panamericana asked COB Press and Propaganda Secretary Gonzalo Vizcarra whether today's and future mobilizations mean that the negotiations have suspended. Here is Vizcarra's response:

[Begin recording] [Vizcarra] This is common practice for trade union democracy. We are willing to hold talks. We have never suspended them. We will continue holding talks, although we know that these talks have always been unsuccessful in the past. However, despite this fact, the COB is always willing to hold talks under any conditions.

[Unidentified reporter] What would have to happen for the workers to end the stoppages and demonstrations they are staging to have their violated rights, as you say, restored?

[Vizcarra] Well, I believe the government has a say in this issue. The government knows that the situation is very critical, anguishing. This has never happened before in the country. Never before have we had such an anguishing situation as this one, especially for the working class, the salaried workers. Therefore, the government must solve this problem, and one cannot wait until May for a government present. The time is now. This is the time for [words indistinct] basically solve the salary problem. [end recording]

Asked about the guarantees provided by the Interior Ministry, Vizcarra stated:

[Begin recording] We expect them because all the marches and demonstrations of the working class have been peaceful. Therefore, we will not respond to any provocation. And, if problem arises, the government will bear the blame.[end recording]

Well, let us hope that things don't get out of hand. The workers claim that this will be a peaceful mobilization. Let it be so and let the police keep their distance so that we do not have to regret any negative events.

Interior Minister's Statement

PY131248 La Paz Cadena Panamericana in Spanish 1700 GMT 12 Mar 86

[Text] Interior Minister Fernando Barthelemy today said that if the protest demonstration organized by the COB for this afternoon is peaceful, there will be no repression. The minister added that all sectors have the right to protest within the framework of democracy. He stated, however, that blockading the main streets in the downtown area will not be allowed. This is what he said:

[Begin recording] In reality we are living in a democratic period. We cannot under any circumstance curtail the people's freedom, either individual or collective, to carry out protest demonstrations in issues they believe are damaging the country or affecting their interests. Therefore, we are not thinking about repressing the protest. What we are doing is taking the necessary measures to prevent the demonstration from hurting other people, because we have to protect not only the people's right to protest the economic policies but we also have the obligation to protect the right of the people who are not participating.

What I am trying to say is that as long as the demonstration is held peacefully as announced, we will not have any problems, the security organizations will not have any problems. What we cannot allow under any circumstance is the protest becoming violent. If that happens, we will have to repress it in the same way the violence is unleashed. We are also going to prevent street blockadges, because such actions obstruct free traffic and the bus services the population needs in this and other cities of the country. [end recording]

Interior Minister Fernando Barthelemy added that there is a threat of subversion in the country, pointing out that in the last few hours local newspapers have published proclamations and open letters that contain subversive terminology. He said that apparently there are groups that are enemies of democracy willing to interrupt the democratic process as soon as they have the opportunity. He made the following comments:

[Begin recording] [Barthelemy] Many of the communiques published in the press have subversive terminology and are signed by subversive elements who obviously are involved in this type of activity to accumulate weapons and to gradually create certain events that can lead to subversion at the appropriate time.

[Unidentified reporter] Do you believe there is a threat of subversion, that some group may try to interrupt the current democratic process?

[Barthelemy] Of course, it is possible that this type of work, this mechanism, once everything is established, can be used openly for subversion. [end recording]

Asked whether the government may be creating the political and social conditions to justify the reinstatement of the state of siege, the interior minister replied that the government does not want to impose a state of exception.

[Begin Barthelemy recording] I believe that this idea is not very healthy because the government, under no circumstance, wants to create problems for itself. The logical thing for the government to do is to try to govern by taking as much time as possible to solve the crucial problems of the nation and not use its time in acts of repression.

We only adopt repressive measures in accordance with the law, when they are necessary. In other words, it is not true that the government is creating conditions for declaring a state of siege. You can see the conditions. You can actually see where the conditions are created. We are tired of explaining the current conditions in the country. The seriousness of the crisis has been explained by the various ministeries. This crisis does not allow us at this time to satisfy the demands of the labor sectors by granting a salary increase. Therefore, we cannot see how the government position, which is very clear because there is no way to get money to implement a salary increase, can be considered or interpreted as a factor that is creating conditions to impose a state of siege. [end recording]

Violence Reported

PY131402 Paris AFP in Spanish 0103 GMT 13 Mar 86

[Text] La Paz, 12 Mar (AFP) -- Walter Delgadillo, COB secretary general, stated here today that the government of Victor Paz Estenssoro only has the support of weapons to repress the demands of the Bolivian people. Delgadillo was speaking in La Paz to a rally attended by thousands of factory and mine workers, peasants, students, teachers, housewives, and unemployed people who participated in the national day of protest against the government's social and salary policy.

In other Bolivian cities and in the mining sectors, the people also staged demonstrations against the salary freeze, layoffs and reassignments, the increase in the cost of living, and the economic crisis.

On the streets of La Paz, the demonstrators exploded powerful devices, creating fear among the people, while well-equipped national police troops strictly controlled the streets surrounding Government House and public and private buildings. Downtown La Paz was free of traffic for several hours when the demonstrators decided to block the streets to stress their demands.

The most fiery speeches were made by peasant leader Genaro Gomez and mineworkers leader Justo Perez, who stated that the government's neoliberal economic measures are causing misery among the people and that there has been no food in the mining centers for several months. Perez stated that the authorities have not made any effort to overcome the crisis of the Mining Corporation of Bolivia, which will lead to a massive layoff of more than 30,000 miners.

The rally turned into a strong protest when the participants began to shout slogans against Yankee imperialism, against the government of Paz Estenssoro, and against the government's indifference to solving the problem of public education. Schools have not been open for the past 2 months because the teachers are protesting low salaries.

In several areas of the capital where the day of protest turned violent, the police fired tear gas grenades to disperse the demonstrators.

At its last national leadership meeting the COB Executive Committee decided to suspend the negotiations with the government because of what it called the total indifference of the authorities.

COB Leader Assesses Results

PY131929 La Paz Cadena Panamericana in Spanish 1700 GMT 13 Mar 86

[Excerpt] According to Jose Justiniano Ligeron, COB organization secretary, the COB Executive Board considers yesterday's day of protest a total success.

[Begin Justiniano recording] In La Paz there were mass demonstrations just as the media have reported. In Oruro the working class also staged mass demonstrations. There were a few clashes between the workers, who threw some dynamite sticks, and the police who used tear gas. In Potosi and in Sucre there were many people demonstrating. In Cochabamba only a rally was held because of heavy rains; the demonstration was postponed until Friday. In Santa Cruz, too, the heavy rains forced the workers to hold only a few meetings during the day, but in the evening university students, teachers, and some workers staged a demonstration. We are very satisfied with the results which encourage the COB leadership to continue its policy of mobilizing the masses against the govenment's economic policy, and compelling the latter to amend it. [end recording]

LIBYAN MISSION INTERESTED IN ARMS PURCHASE

PY131341 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Mar 86 p 7

[Excerpts] On 17 March a Libyan military mission is scheduled to arrive in Brazil with the objective of signing a $1-billion contract for the purchase of war materiel. In keeping with strict government orders (by request of the Armed Forces General Staff, EMFA, and the Brazilian Foreign Ministry), during their stay in Brazil the group will be escorted by agents of the National Service for Intelligence, SNI.

The visit was scheduled for 14 February, but because of an article published on 13 February by the newspaper FOLHA DE SAO PAULO announcing the arrival of the mission and the signing of bilateral contracts, the visit was was postponed. The Brazilian authorities, companies, and the Libyans have imposed a strict blanket of secrecy over the visit because Brazil may be creating an international incident since its most important Western ally, the United States, has decreed an international economic boycott against Libya.

The negotiations started in December 1985 when a Libyan Embassy adviser secretly visited installations of Embraer [Brazilian Aeronautics Company] Avibras [Brazilian Airspace Enterprise] and Engesa [Specialized Engineers, Inc.]. These are the main Brazilian manufacturers of heavy arms, which are located in Sao Jose dos Campos, 97 km northeast of Sao Paulo. The objective of this visit was to evaluate prices. Later, Libyan Ambassador (Faraq Al Seiti) held secret negotiations with Brazilian Foreign Ministry officials on the issue. Brazil is the third-ranking exporter of war materiel to Libya, after the Soviet Union and the EEC. In 1985, this bilateral trade yielded $9 million for Brazil.

The Libyan Armed Forces use a vast variety of Brazilian-made war materiel. It has 300 light Cascavel EE-9 combat cars and 100 Urutus EE-11 and an unknown number of Jararaca EE-3 armored command cars, all of which are manufactured by Engesa. In addition, it has cluster and incendiary bombs, as well as other special types of bombs, like those used to destroy airports. It also has land-to-land and air-to-land rockets supplied by Avibras. Avibras has additionally supplied the Libyan Government with several batteries of the Astros 2 multiple rocket launcher, which is equipped with SS-40 rockets that have multiple warheads with a 45-km range. Moreover, Libya has a tactical reserve of armored Urutus cars, light weapons, and ammunition of different kinds. Most of Libya's war materiel comes from the Soviet Union, France, the FRG, Spain, and Italy.

The Libyan Government is allegedly interested in acquiring new units of the Urutu EE-11 armored amphibious car, the Astros 2 multiple rocket launcher, and the Tucano T-27 military training plane, which is manufactured by Embraer. This bilateral transaction may total $2 billion.

In addition to the arms, Libya wants to purchase Brazilian products and technology for the installation of iron and steel, petrochemical, food, textile, electronic, and light arms industries.

INTERIOR MINISTER GARCIA COMMEMORATES CONSTITUTION

PY121940 Santiago Domestic Service in Spanish 1510 GMT 11 Mar 86

[Address to the nation by Interior Minister Ricardo Garcia -- live]

[Text] Ladies and Gentlemen:

His excellency the president of the nation has asked me to address you and the citizens at large through the news media on this occasion, the fifth anniversary of our Constitution and of the current presidential term in office. This occasion is particularly significant because the transitory provisions of our Constitution have been in effect for quite some time now, and just 3 years from today the system outlined by the permanent provisions of our Constitution will go into effect. Thus, now is the right time to assess clearly the national status quo so as to calmly and objectively evaluate developments and propose, from a constructive viewpoint, the best ways and means for the country's progress.

This clear assessment is especially necessary because it is obvious that certain sectors have been displaying certain tendencies marked by an inappropriate assessment of reality. Sometimes this assessment is not the result of a misinterpretation or difference of viewpoints but of the deliberate and negative intentions to sow groundless worries or present a slanted view of national activities through semantic distortions or biased opinions.

Such intentions can hardly help achieve well-being in the fatherland. Nothing could be less appropriate than to have the progress and prosperity that we Chileans could attain blocked by pointless dogmas, lack of understanding, disagreements, or ulterior motives.

Neither Chile nor any other country can afford to stall its progress and postpone whatever quest for improvement it is able to carry out. The speed of technical and scientific developments, the expansion of cities, the growth of our population, the need for new job sources and for making optimum use of resources compel all nations to do their utmost in the quest for progress.

The more evasive progress, the more negative the environment, the more difficult the international status quo, the greater and more sustained the efforts of the citizens of any country seeking to build a future of well-being will have to be. One of the most serious and frequent errors is to apply a short-sighted approach to national developments, as if the progress of a nation could be lost or attained in a single day, forgetting that a country can be made great only through dedication, perseverance, sacrifice, honest toil, patient saving, and creative imagination. Chile is no exception to this rule. Foresight is what will help turn it into a great nation and foresight can provide a firm and stable backbone for the well-being of all Chileans. [applause]

The strength of a people is based on the faith they have in themselves. Nations become weak when they start to doubt their own capacity to develop. We hope these words help us to better understand our real situation and our prospects. Our only goal is to serve the fatherland. In addition to the usual limits imposed on all developing countries, Chile is a nation that like many others has experienced the effects of an international economic recession and the deterioration of its exports. These are facts confirmed by well-known statistics.

However, in spite of this, if we make an objective study of the present national situation, and if we compare our fate with that of other countries, we shall conclude that Chile is today experiencing specific and permanent signs of economic recovery unlike other countries subjected to galloping inflation rates, economic restrictions, or adjustments that have been implemented at a later date than those implemented in Chile.

We Chileans can appreciate the projection of our development through specific development programs. The national index statistics show this development and offer encouraging alternatives. Moreover, many national sectors can see this on their own merely by evaluating the activities they carried out last year. The worst days of the economic recovery period are over. With a minimum degree of confidence in the evolution of the international economy and a more favorable behavior of international trade, we should achieve a sustained development and therefore, an expansion of job sources and a gradual increase in the income of all Chileans.

Nevertheless, the situation is still fragile. We must be particularly careful to improve on our results and thus decrease the poverty margins. To do this, businessmen and workers alike have a dominant role to fulfill since the strength needed to achieve this improvement will depend on their business and labor capacity. It will be the justice and equity that prevail in their relations that will result in an increased productivity of their resources and efforts.

In addition to an economic process that is of great importance in our every-day life, Chile is implementing a profound process to strengthen its institutions. In keeping with the characteristic respect of the laws that has traditionally prevailed in the country, since 1973 the government has been establishing its limitations. Firstly, through the issuance of decrees and later through the 1980 Constitution. In this Constitution the Chilean people decided to choose a path leading to a full democratic regime, toward which they are relentlessly heading. Like all the steps that have been and will continue to be taken, this is a decision that no one has or will impose on the country from outside its borders; [applause] because this would be unacceptable and rejected since it would not be in keeping with our tradition, sovereignty, and national dignity.

Unlike other nations that were forced to negotiate and improvise their political policy, Chile outlined a policy that was adjusted to the historical and legal characteristics of the nation. No one should be misled by the fact that certain constitutional norms are not pleasing to everyone. The processes of formation, approval, and the first years of implementation of the Constitutions of 1833 and 1925, the lengthiest in our republic's history, stand as sufficient evidence to this fact. We all know that there is no perfect law in the world, as there is no perfect human endeavor.

It should be made quite clear that Chile does not need to be shown or encouraged to adopt measures leading to a full democracy, because its desire to achieve democracy stems from its more than a-century-old tradition, and from its dramatic experience of having faced the risk of losing democracy forever. Chile certainly does not want to again run the risk of exposing its government to self-destruction.

All democracies seek to strengthen themselves. The great principles of all democracies necessarily and implicitly carry some systems that protect their existence in accordance with the reality in each country. Democracy, understood as a government system, guarantees the rights and duties of its citizens, watches over the separation of the branches of government, specifies the forms and occasions of faith, elects and respects the authorities of a political organization, and extols in essence and protects in practice a system of life based on freedom and mutual respect for everyone's rights and for the common good.

Chile has adopted these principles for its institutional life, and has added to them, as it did almost 40 years ago through its traditional democratic structure, as contemplated by the great free nations the unlawfulness and inconstitutionality of acts of persons or groups, intended to inculcate doctrines that represent an attack on the families, that instigate violence or a concept of a society, a state, or the legal order of a totalitarian nature, or based on the struggle of classes. These elements, as well as the weakening of classes. These elements, as well as the weakening of the right to have a private property, essentially represent an attack on the authentic freedom, as has already been demonstrated historically. [applause]

Chile is carrying out this institutional process through a necessary plan of complementary social and economic development. In this manner the government is implementing that profound consensus that in 1973 reflected the national desire to obtain an objective that the great majority wanted. The country can observe the efforts that have been made to obtain this goal.

One of the principles that inspires this institutional process which deserves special attention is human rights because of the deliberate confusion created around it. It is necessary to be categorical about this issue. The government and the rules that govern its actions are in accordance with its profound respect for human rights. This is guaranteed by constitutional regulations and sustained by the principles set up by the government. This is how we who are holding government positions feel and think. We have repeatedly set up the necessary rules and instructions to thoroughly protect human rights. We do not accept their violation. If there are cases of violation of human rights, our position is clear. They will always be investigated and the people responsible punished if necessary. [applause]

It should be realized, however, that when talking about human rights the broadest definition should be used. We are not only concerned, as some people think, with the illegal excesses of people who commit crimes against society, but are also concerned, and we strongly raise our voice in condemnation, when the human rights of the men who are called to protect public order and security are violated through attacks against their lives, integrity, dignity, and the respect they deserve. Human rights mean that the great majority can live in peace, free of violence and the threats of terrorism.

Therefore, we should not confuse the actions aimed at preserving order with the actions of people who consciously and in a calculated manner carry out attacks against the life, property and tranquility of the inhabitants of the Republic by violating the rights of the people and society. Their actions deserve the strongest condemnation from the national and international community. [applause]

Our constitutional rules and the government's policies and attitudes have given special importance to the courts of justice. We have always respected the courts' independence, a fact that was praised by the judicial branch on a solemn occasion. We give special emphasis to this fact because the citizens know very well that the government has never used the courts to secure a special sentence, but receives a favorable or an unfavorable sentence with an attitude of respect that unfortunately cannot always be observed among other members of the national community.

Government action is not directed at harassing anyone. Whenever someone seeks to subvert order, it is the *responsibility of the government* to defend the community. We must guide the country toward the institutional, economic and social development we wish to achieve. This is the role we must play as Chileans and as members of this society. Although it may be unpleasant, this role compels us to denounce any violation of the order and to take action to defend and protect the tranquillity of the citizens.

Thus, let us not mistake one thing for another, and let us not fail for untruth or fancy words. Let us not term as aggression the actions which police and security forces must undertake to protect citizens. Neither should we be carried away by the barrage of words used to describe as repression the government's requests that the courts investigate certain actions and punish them according to the law if appropriate.

Failing to do so would be leaving the community open to chaos and that would indeed be noncompliance with a basic duty of every government and would also mean jeopardizing the rights of the citizens by allowing them to face a great risk of anarchy the worst kind of corruption and disintegration to which a political system can fall prey. [applause]

Based on the principle of reconciliation and the demands for common good, this government from its beginning had unity and national integration as its goal. This is why we thoroughly understand the profound meaning of reconciliation which is a basic issue in our culture. We understand that reconciliation must be carried out based on truth by removing hate from the hearts of people who must change.

We understand that reconciliation does not mean that we have to think alike, that we must adopt similar social, political, and economic doctrines, that we must have similar ideas about what is going on. In this regard, the people of any country, according to the times in which they live, will think differently and will adopt different positions, strategy and tactics:

It would be laudable if a real spirit of reconciliation prevailed, if reconciliation would no longer simply be a slogan for some people to use only to attack others to disguise their contradictions and deficiences, thus abusing such a high moral principle for political reasons. The government advocates an authentic reconciliation with an open attitude and feeling. There is not hatred in our spirit. We do not want to exclude anyone. We do not wish harm to anyone. We would like to see some sectors do away with hatred, especially the hatred stemming from ideological beliefs. We wish they would moderate their plans and actions, and stop using negative attitudes to promote tension, confrontation, and destruction by not adjusting themselves to the truth. In sum that they stop degrading the highest values of national coexistence. [applause]

We are striving to achieve the well-being of the country and of all Chileans, as is our government duty. The Chilean people are witnesses to the efforts that are being made daily at all levels to improve the country's situation in keeping with the limitations that we confront in our capacity as a developing country.

No one should detract from the work that is being carried out since it is in keeping with the nature of events and their backgrounds. If the overall picture were studied from an objective viewpoint, people would see a government that received a mandate and is fulfilling it. Those who truly want to achieve the development of the country should contribute to this great objective. If this were the case, all Chileans, without exception, would benefit.

However, it is sad to see these contributions decreasing in number and that some people are trying to make the government fail in its attempts or undermine them and thus launch an unceasing criticism instead of helping the government achieve fruitful results for the well-being of all Chileans. [applause]

This is not the government of a political party. It is the consequence of a historic commitment that was made by the Armed Forces and forces of order. Therefore, it is a government for Chileans and by Chileans. [applause]

Its success should be sought by all. Its inheritance will not be for a few but for the fatherland, which belongs to all Chileans. [applause]

Unfortunately deceitful words have sometimes attempted to distort this image and show a completely different picture. Such actions are completely erroneous and inconvenient, not only for the government but for the entire country. It is completely pointless and entirely negative not only for the government, but for the country to try to present a picture that is different from reality, filled with pessimistic views; or to try to show Chile to Chileans and foreigners as a nation that is confronting the most serious and problems of its history, and that is submerged in a widespread crisis.

But it seems that, oblivious to the works and development that has been achieved, they continue to stubbornly issue the same depressing diagnosis they have been issuing for years. Moreover, it is false and negative to describe the prevailing constitutional system as a dictatorship.

All that been said, the government program, the timetable that has been enforced, the independence of government branches, the independence of the courts, the legal proceedings, the firm adherence to constitutional measures and laws, and the vast sectors that the government has opened to citizens to freely express their opinion, which are far more numerous that have been opened in past decades, prove that these distortions are completely false.

It is unfortunate that Chilean citizens, who should praise all that has been achieved, are driven by political passion to propagate even in foreign lands, this slander that damages the image of their fatherland.

Ignoring or distorting the reality of the country's dynamic development is also negative. We understand that some actions can be criticized. We appreciate criticism, but for the benefit of national interest and for a better national destiny, which should be the goal of all Chileans, we demand that any criticism that is made be constructive [passage indistinct]. With greater emphasis on what we said before: The government is open to any contribution by the citizens who effectively pursue the country's well-being.

The progress of the institutional program will allow room for such constributions as long as they meet the national objectives of prosperity and well-being. When behavior contrary to these objectives is observed, one should question whether it is inspired by a lack of faith and confidence in the government's true will to attain our national aspirations.

If such distrust exists, it could mean nothing but an unfair judgment of the Chilean Armed Forces and the forces of order which have supported the government supplying it with its foundations, and which have always honorably fulfilled the government's orders giving the nation nothing but glory throughout history. [applause]

The Armed Forces and the forces of order are committed to guaranteeing democratic security and stability for the Chilean nation. They will never hesitate in fulfilling this lofty mission. [applause] Unless one wants to seriously offend them, no one should assume that the Armed Forces and the forces of order, which have sworn to oversee the attainment of this objective by following the provisions of the Constitution and the laws, will not commit all their energies to the fulfillment of their mission.

What I have said concerns the present, but projecting these same statements into the future should give us a renewed confidence in the moments we now live. All that has been announced in order to proceed our march forward will be intensified in 1986.

Regarding legislation complementary to the Constitution, it should be recalled that, in addition to initiatives that are now being considered by the legislative branch, the advisory commission on proposed legislation, in accordance with this year's planning, will submit 12 new bills regarding various matters about which the public is well informed. These new bills will follow those that are in an advanced state of preparation in the ministries or special commissions.

One of those bills refers to the law on the public electoral system, which along with the law on political parites, once implemented, will constitute part of the final structure for the nation's political activities. Therefore, the preparation of laws implementing the Constitution will basically be completed in 1986. Only the decisions by the Honorable Government Junta will then be necessary so that these laws can be implemented within the pre-established timetable.

It is worth pointing out that the electoral registry law will go into effect this year. This law is currently being studied by the Honorable Government Junta. This law will permit to begin registering people for the plebiscite and elections established by the Constitution.

The legislation establishing labor courts will also go into effect very soon. In addition, the government now wants to stress its willingness to perform an in-depth analysis of some issues that are particularly significant for the Chilean people and for their progress. The government wants to optimize the results of the work undertaken in several sectors where, despite the intiatives and valuable studies that have already been performed, it is necessary to improve coordination if results are to be achieved sooner.

One of these issues deals with the promotion of regional development, production, and the creation of jobs in the interior. An additional objective will be to balance our demographic distribution, so that in the future, life in our country should not be hindered by a metropolitan region disproportionately large in respect to the rest of the country. Another objective [passage indistinct] even though we could reduce it, we need our strongest creative forces to control it.

In this regard, a third objective will be to broaden our possibilities in the housing sector, so that the Chilean people's aspirations in this area may be even more thoroughly fulfilled, particularly as it concerns the middle classes. This will not affect the existing housing programs.

From another viewpoint, the financial recovery and restructuring process, which had to be performed in the wake of the latest crisis, will be substantially strengthened this year.

In the months ahead, and before the end of this year, we will conclude the ongoing program of denationalization of the companies that had been previously nationalized. We will thus end the intervention of the state in the management and control of private capital. In this regard, the respective owners will again assume full responsibility. All this is to be supplemented by the development of an effective, popular capitalism, which the government has strongly supported and which should yield even better results during this period.

We have ahead of us in 1986 a year of great challenge, not the challenge of one sector to another, or of a so-called opposition to the government or from the government to any individual or group. This is a challenge from Chile to Chileans, so that every individual can struggle on his own for the overall progress of the country. [applause]

This is a goal that does not have any political connotations because to accomplish this goal all we need is to be Chilean, to feel Chilean, to act as Chilean and to love Chile. [applause]

Just as 1986 will be a year of defiance, the future of the country is also a great challenge to our imagination, creative ability and efforts. We are nearing the end of the 20th century. The year 2000 is already appearing on the horizon and the 21st century is about to begin the third millennium for our Christian and Western civilization with its new and unsuspected prospects. We will pass away but the new generations, the children and the youth, will enjoy the progress we make. It is necessary to forge ahead and give them security.

We want a great nation. We want its greatness to be, we want more than material well-being, the achievement of social justice and the reign of authentic freedom. We want freedom for private enterprise so that the small, medium and large private companies can join their efforts at the service of the community, the country, and their owners, professionals, technicians, and workers. We want freedom so that everyone can enjoy equal opportunities and the legitimate benefits of their efforts through guarantees and the natural right for private property, which is the only way to secure the basis of social order. [applause]

We want freedom so that no election can jeopardize essential values. This is our goal, our objective. Those who really want Chile to progress should come join this integration process. Those who are capable of seeing and appreciating reality should join in the work that can only lead to the well-being of Chile.

The times we are living through do not allow ambiguous positions. It is necessary to take a decisive position and have a clear definition in the face of the basic principles of the national life. The culture and dignity of our people and the responsibility before the nation demand such a position.

There is a line of action within law and order that can give us a solid institutional life and overall development with realism, without deceit, demagogy, or false promises. There is another line of action that advocates chaos and confrontation to make the country ungovernable in line with violence or in connection with people who are willing to accept violence or in connection with people who are willing to accept violence although they may disguise their attitude with dubious words and false promises.

The first line of action is the star that guides Chile, it seeks its current progress and its firm future prospects. Its roots are in Chile. It feeds from the force of our nationality and carries the Chilean flag. [applause]

The second line of action receives support from beyond our borders, from movements that have nothing to do with our own self, that are obviously unaware of the situation prevailing in our country, and that at times even uphold principles that are totally opposed to our national character.

We wish there were no such opposing positions. As a matter of principle, we neither foster nor promote that sort of difference. Therefore, we call upon the people to stop and reflect and, above all, to act accordingly, in order to meet only the challenge that all Chileans are now facing, that is, to responsibly contribute to our fatherland's greatness. [applause]

Thus, if we are aware of the truth and the challenges posed by the historic moment we are going through, there can be no justification whatsoever for those who offend our country, who condemn the path we are following, and who impair the image of our country by sowing the seeds that cannot germinate in Chile.

If all of us agree that there are honest intentions, no one should then fail to rise in defense of the national dignity that is being harmed and, particularly now, no one should fail to proudly let his voice be heard to clearly state that Chile is the fatherland of Chileans, and that within our borders, it is we, Chileans, who are following and who will follow the courses that we have chosen and that we will continue to choose by ourselves. [applause]

If all of us hold the same views on our situation, we will proudly build a national democracy that will definitively strengthen Chilean greatness and will command respect in the eyes of an incredulous world, for the happiness of all the children of this land where we had the privilege of being born. Thank you very much.

Opposition Scores Garcia Speech

PY121607 Santiago Radio Chilena in Spanish 1600 GMT 11 Mar 86

[Excerpt] Interior Minister Ricardo Garcia's speech received little credit from the opposition, with some of its members asserting that nothing has changed to justify modifications in the goals and the social mobilization strategies scheduled for 1986. Socialist leader Alfredo Molina Lavin, a member of the Socialist Party Political Commission of the Briones-led sector, told our reporter:

[Begin Molina recording] We have repeatedly heard about the government's good intentions. However, events have proven that reality does not correspond to what has been promised. We have always been deceived by this government, and for that reason we continue to distrust it, although hoping that it will change, because a change would be very positive. But we very much doubt that it will change. [end recording]

Meanwhile, Christian Democrat Enrique Krauch has asserted that such things have been heard before, and he confessed his doubts about the real intentions contained in the speech:

[Begin Krauch recording] The interior minister's usual statements to the country always are essentially conciliatory in content. This time he again displayed this attitude, which is consistent with his personality. Unfortunately, however, these good intentions that the minister periodically announces to the nation do not always come true. This program of basic institutional norms has already been announced by the president and by other government officials, without having changed anything so far. [end recording]

On the other hand, German Correa, the chairman of the Democratic Popular Movement, has said that once again, the Chilean people and their troubling problems were not considered in the interior minister's speech:

[Begin Correa recording] This should not surprise us, because this government is not a government of the Chilean people. It is the government of a minority which, with the help of weapons, took hold of and usurped the rights of the government constitutionally installed in 1973.

Moreover, this speech attempted to establish ties between the Armed Forces and the government by connecting the destiny of the Armed Forces to that of the government. Nothing could be more misleading. This government defends the plans of an illegitimate, looting, and antinational minority. The Armed Forces cannot commit their institutional destiny to this government, which the Chilean people have decided to oust as soon as possible. [end recording]

Saldivar Comments

PY121729 Santiago Radio Chilena in Spanish 2200 GMT 11 Mar 86

[Text] The speech Interior Minister Ricardo Garcia delivered during the government celebration on the fifth anniversary of the 1980 Constitution did not contain any surprises for Andres Saldivar. Saldivar said that the minister's speech had no relation whatsoever to the real situation in Chile, and that in some ways, he said, it showed insecurity because the administration had nothing new to say. The chairman of the Christian Democratic International was incisive in his comments:

[Begin Saldivar recording] Everything that could be learned from the speech was a portrait of a country that is not Chile, where there are no human rights violations, where all freedoms are respected, and where the path being followed really leads to democracy. I believe that the interior minister is out of touch with the reality of this country. The country is facing a serious crisis, profound social and economic problems, and a political problem that has not yet been solved. It is a country that is isolated internationally. It is a country, as I usually say, with a great majority who are willing to return to a normal democratic life -- where the rights of the citizens can be expressed and where their fundamental liberties can be respected -- but in actuality where a small minority holds power supported by force and has a different view of the country. [end recording]

Based on what we have heard, it is evident that what is being emphasized and discussed is mostly what was not said at the Diego Portales Building. Regarding the latter, Andres Saldivar recalled that the international isolation of Chile is being caused by all that is said and done by the government:

[Begin Saldivar recording] I believe that when the minister attacks the politicians it is because in the government's despair it is trying to blame someone for Chile's international isolation. The government does not want to believe that the cause of the isolation lies in the fact that in Chile human rights are being violated, because in Chile there is no democracy the way the entire world would like to see it, and because this is one of the last Western countries that is still under a nondemocratic form of government, which makes the world look at it with distrust; not at the country, but at the government, at General Pinochet's regime. [end recording]

Saldivar's position, as stated in his declarations, has made news around the world because of the position he occupies and because he is a politician who deals with representatives of the biggest powers. For that reason, he incisively rejected the accusations made against the opposition, because these lead other governments to condemn General Pinochet's regime [sentence as heard].

Officials Praise Speech

PY121631 Santiago Radio Chilena in Spanish 1630 GMT 11 Mar 86

[Excerpts] Government officials have said that the speech Interior Minister Ricardo Garcia Rodriguez made on the occasion of the fifth anniversary of the implementation of the 1980 Constitution is self-explanatory. Admiral Jose Toribio Merino Castro said that the text of the speech clearly divides the Chilean citizens into the native and pro-Moscow citizens. Foreign Minister Jaime del Valle, in turn, noted that the speech clearly rejected the democratization formulas proposed by other countries.

At the end of the ceremony held in the auditorium of the Diego Portales building, Admiral Merino gave his opinion on the speech to the media. He said that it was very interesting because it clearly differentiated the native citizens from the pro-Moscow citizens.

[Begin Merino recording, in progress] ... especially because it defines what I had stated a few days ago. Currently throughout the world there are two types of human beings: the native citizens and the pro-Moscow ones. We, and all of you who are willing to work, to produce more for the country's benefit, are the native citizens here in Chile. The pro-Moscow citizens are receiving money from abroad and are willing to kill, destroy and [words indistinct] with the prupose of creating chaos. [end recording]

Minister Secretary General of Government Francisco Cuadra asserted that the speech represents an appeal to all Chileans to cooperate for the development of the country.

[Begin Cuadra recording] is an appeal to the Chilean citizens of good will who wish to actively cooperate in the institutional, political, and socio-economic development tasks that are part of the country's overall development. It is an appeal to give up attitudes of confrontation and violence, which, naturally, will not make any positive contributions to the fatherland. [end recording]

Health Minister Winston Chinchon made a similar statement. He asserted that this appeal to all Chileans aimed at achieving development is a positive and patriotic attitude.

U.S. AMBASSADOR 'UNAWARE' OF CONDEMNATION

PY132342 Santiago Radio Chilena in Spanish 1600 GMT 13 Mar 86

[Text] U.S. Ambassador to Chile Harry Barnes today said that he is unaware of a U.S. request for international condemnation of the Chilean Government on charges of repeated human rights violations. Barnes made this statement after meeting President Augusto Pinochet and Foreign Minister Jaime del Valle at La Moneda Palace. The U.S. diplomat told reporters that he has only seen press reports on the proposal by Richard Schifter, U.S. assistant secretary for human rights and humanitarian affairs. In Geneva on 12 March, the U.S. representative asked for international condemnation of Chile in view of the failure of the so-called quiet diplomacy, and in the face of the persistent human rights violations in Chile. Asked about the issue, Ambassador Barnes said:

[Begin recording] I have read some press reports but, when I left the embassy I had not yet received any information from our mission in Geneva. Until I receive such information I cannot be sure of what is happening. [end recording]

Asked about the change in U.S. policy toward Chile, Ambassador Barnes replied that he is unaware of the meaning of the so-called quiet diplomacy.

POLITICAL ACTIVITIES INFORMATION BAN LIFTED

PY141212 Santiago Domestic Service in Spanish 1105 GMT 14 Mar 86

[Text] Today the government has lifted the information ban on political and party activities. This measure will take effect after the publication of the decree in the OFFICIAL GAZETTE, which will circulate within the next few hours. The decree says in Article 1 that during the state of emergency, established through a decree issued on 12 March 1985, the freedoms provided for under Clause No 12 of Article 19 of the national Constitution will be exercised by the news media as provided by the law. These freedoms will be exercised with the following restrictions: The news media will abstain from reporting through any means or in any form reports or opinions related to: the conduct described by the law as terrorist crimes; activities by persons, organizations, movements, or groups that are described in Article 8 of the Constitution; criminal behavior described and sanctioned by law regarding the security of the state.

In Article 2, the decree states that the previous restrictions will not affect official reports stemming from the government. It also establishes that the Ministry Secretariat General of Government and the respective chiefs of the zones in a state of emergency will ensure enforcement of these two articles. It concludes by saying that national defense chiefs are hereby authorized to restrict freedom to move from one place to another and to suspend or restrict the right to hold meetings within their respective jurisdictions. The decree is signed by the president of the Republic and the interior minister.

Thus, the government has lifted restrictions on information regarding political and party activities that have been in effect since June 1985. On that date, another decree was implemented that also included a special item stipulating restrictions on activities, actions, or negotiations prohibited by the transitory disposition included in the Constitution.

Thus, we reiterate, today the government has lifted restrictions on information on political and party activities.

FOREIGN MINISTER RESPONDS TO U.S. CRITICISM

PA130026 Managua Radio Sandino in Spanish 0000 GMT 12 Mar 86

[Text] In a clear reply to U.S. criticism, Colombian Foreign Minister Augusto Ramirez Ocampo said in Bogota today that nonintervention, noninterference, and the search for and application of peaceful solutions to international conflicts have been the traditional pillars of Colombian foreign policy.

Yesterday, the U.S. State Department strongly questioned the attitude of Colombian President Belisario Betancur regarding the Central American conflict, and described Betancur as weak because of his statements condemning and opposing President Ronald Reagan's request for $100 million in financial aid for the contras.

No Official Protest

PA122210 Bogota Television Service in Spanish 0000 GMT 12 Mar 86

[Excerpts] The disagreement between Colombia and the United States on how the Nicaragua situation is being handled as part of the Latin American crisis has grown deeper. Colombia gives too many concessions to the communists, the U.S. Department of State has said. The United States' policy toward Nicaragua is mistaken and all Latin American countries reject it, it is claimed in Colombia.

Foreign Minister Augusto Ramirez Ocampo has indicated that President Betancur voices Latin America's ideas as expressed in the Caraballeda and Punta del Este agreements. Supporting irregular movements, regardless of the country that does it, violates international law, the foreign minister added. He said that that is a factor that upsets peace in America. Foreign Minister Ramirez Ocampo said that no country can be beneath the principles of the UN Charter. Intervention in the domestic affairs of other countries is the essence of respect between nations, he said. The foreign minister also said that there will be no protest note to the U.S. Department of State over its statements on Colombia's foreign policy.

RAMIREZ OCAMPO DEFENDS EFFORTS IN CONTADORA

PA130038 Botota EL TIEMPO in Spanish 8 Mar 86 p 8-B

[Text] Foreign Minister Augusto Ramirez Ocampo said yesterday that Colombia's actions within the Contadora Group to achieve peace in Central America and the resolution of border conflicts among several countries are not mutually exclusive efforts.

Ramirez Ocampo stated this in response to criticism from former President Alfonso Lopez Michelsen to the effect that it is not logical for Colombia to spend time trying to resolve other countries' problems when it has maritime border conflicts pending with Venezuela, Honduras, Nicaragua, Jamaica, and Costa Rica.

"The Colombian Foreign Ministry has been working daily on the topic of its maritime borders and has been trying, without a day's respite, to resolve what is, in my opinion, one of the Foreign Ministry's priorities," the minister said. He said that to seek peace in Central America is at the same time to do the same for the country, because of the "communicating vessels" [vasos comunicantes] in this case.

Ramirez Ocampo emphasized that "not only are efforts of this nature outside Colombia irreproachable; for them to be criticized by former president Lopez's government is self-contradictory. In another Contadora meeting, he devoted himself to trying to resolve the Panama Canal problem. I believe that at that time one should have asked President Lopez if he believed that he was neglecting Colombian affairs." He added that not only is this consistent, "but the possibility to meet continuously with all these countries, and to expand our ties with them has allowed us to invigorate our talks and face topics with far more frankness and in much greater depth."

SENATOR GALAN WITHDRAWS PRESIDENTIAL CANDIDACY

PA130237 Bogota Television Service in Spanish 0000 GMT 12 Mar 86

[Text] Several minutes ago Senator Luis Carlos Galan Sarmiento issued a statement to comment on the Sunday's electoral results, which were unfavorable to him, and to announce that he will not register, that is, that he will not enter the presidential election. He will continue as leader of the New Liberalism faction. Here is Galan Sarmiento's statement:

[Begin recording] As presidential candidate and director of New Liberalism, I expected a different result from these elections. However, I have always been aware of the sacrifices and problems entailed in a mission like the one we have set out to fulfill to rescue Colombia from a political system that oppresses it, frustrates it, and is the fundamental cause of injustice and violence. The results of the elections are a political fact that I cannot ignore, even though it will imply a new frustration for the Colombian people. In view of the above, I will not register my presidential candidacy. Second, I will continue my duties as director of the New Liberalism faction, because never before was it as important as it is now to persevere in the defense of the ideals that gave rise to this national, autonomous political organization.

Within a few days I will bring together the members of Parliament to examine the political process that began as of the 9 March elections. I will visit all the departments again to thank my fellow party members for their loyalty and cooperation and establish the elements of this new political phase.

I see neither the willingness nor the capacity to organize the country in the other presidential candidates. I cannot support them because for the past 25 years the political forces they represent have had every opportunity to resolve the nation's problems and they have failed to do so. Both Virgilio Barco and Alvaro Gomez Hurtado are options of continuismo. They cannot and do not want to alter the current power structures. They lack the necessary political strength. They accept the machinery, and, therefore, they lack the conviction to confront those who obtain all kinds of privileges, from the arbitrary access to public office to official contracts that finance many political campaigns, while social inequalities grow. The country's natural resources are being depleted and organized crime is expanding its areas of influence and intimidation.

We did not win these elections, but we have not been defeated either. New Liberalism will prove that is is the true renovating force of Colombian politics. With the support of one-half million Colombians who loyally reaffirmed their solidarity and trust, members of Parliament, deputies, and councilmen of the New Liberalism faction will continue to fulfill our mission as lawmakers and overseers. We will face this new phase to reach the nation's conscience with faith and honesty. We will continue the struggle with greater determination. Now more than ever, our motto to serve Colombia is: Always onward, not a step back. What must be done will be done. [end recording]

FEBRES CORDERO ACCEPTS PINEIROS' RESIGNATION

PA132348 Quito Radio Quito in Spanish 2300 GMT 13 Mar 86

[Text] It has been learned from official sources that Ecuadoran President Leon Febres Cordero has accepted Defense Minister General Luis Pineiro's resignation as well as the availability [disponsibilidad] requested by General Manuel Maria Albuja, commander general of the Army.

Meanwhile, following the president's return to Quito, several executive decrees were issued appointing General Jorge Azanza as acting defense minister until a new minister is appointed. Another decree appoints Gen Azanza new commander of the Army and chief of the Armed Forces Joint Command, replacing Gen Manuel Maria Albuja. Joffre Torbay, secretary of public administration, read the executive decrees. [passage indistinct]

VARGAS SEIZES QUITO BASE; CRISIS RENEWED

PA140207 Quito Radio Quito in Spanish 0115 GMT 14 Mar 86

[Text] Radio Quito hereby confirms that General Frank Vargas Pazzos, who recently held the Manta Air Force Base for 5 days, has now seized the Mariscal Sucre Air Force Base in Quito. Gen Vargas Pazzos was being detained at this Air Force base awaiting trial. An officer on guard at the Mariscal Sucre Air Force Base was consulted by Radio Quito regarding the occupation of the military airport by forces loyal to the discharged Gen Vargas, former Ecuadoran Air Force commander. The officer gave Radio Quito an affirmative answer to this question. Frank Vargas had been held incommunicado at this Air Force base since Tuesday. Gen Vargas rebelled and seized Manta Air Force Base, on the Ecuadoran coast, from 7 to 11 March when he [4-second break in transmission] charged Defense Minister Gen Luis Pineiros and Gen Manuel Albuja, commander general of the Army, with corruption. The two generals have been removed from their offices by President Leon Febres Cordero.

This report was confirmed only a few minutes ago during a military event [acto] at the Mariscal Sucre Air Force Base in Quito. During this event Gen Frank Vargas asked all those loyal to him to step forward and those who oppose him to remain in their places. This is what has just happened at the Mariscal Sucre Air Force Base. [passage indistinct]

Vargas Supporters Claim Seizure

PA140228 Quito Radio Quito in Spanish 0214 GMT 14 Mar 86

[Text] A rebel officer who supports the stance taken by Gen Frank Vargas Pazzos, who seized the Mariscal Sucre Air Force Base in Quito, has said that Gen Vargas Pazzos did not seize the base, but that they [not further identified] seized the base as an expression of support for Gen Vargas and to protect his life.

Vargas Calls For Support

PA140302 Quito Radio Quito in Spanish 0220 GMT 14 Mar 86

[Text] Gen Frank Vargas Pazzos has just emerged from the base to speak to the people gathered around the Air Force base and to the soldiers, noncommissioned officers, and officers who accompany him.

He has made serious charges and has asked for the support of various social and union organizations for his movement, which he says seeks to restore democracy in the country. Gen Vargas Pazzos' words will follow.

Gen Vargas was surrounded by Air Force personnel who support him and who protected him against the crowd trying to reach him to greet him and offer their support. I repeat: There were approximately 600 people around the base when Gen Pazzos spoke out against the government, declared himself in open rebellion, and reiterated past statements. Gen Vargas demanded the arrest of Gens Pineiros and Albuja, but did not answer a question regarding the possibility of mediation or about the National Chamber of Representatives' having an active role in this difficult situation.

[Begin Vargas recording] Your patriotism shows me that you are on the side of the Ecuadoran soldier. However, do not waste your strength. I ask that you organize around the base to give me the protection that the [words indistinct] I must carry. [shouts, applause]

I believed in the word of the president of the Republic. He offered me guarantees, and after I gave up (?Manta) for the good of peace in Ecuador, he went back on his word. [Sentence indistinct] [crowd shouts: We are with you!]

Organize yourselves; organize yourselves in the neighborhoods; organize the people so that we (?can defend ourselves inthe streets). [shouts, applause] I call on the people of Ecuador to put an end to tyranny and for justice to triumph so that tomorrow our children will not be slaves. That is why I am here today. [shouts, applause] [Sentence indistinct]

I ask the people to organize in an orderly manner and defend the cause of [word indistinct]. Call your neighborhoods, call your [word indistinct] to have a sufficiently organized force and to be able to struggle in this [words indistinct]. The tyrant is going to launch all of his forces, but he will have to take the blame for the blood shed by these people who will multiply tomorrow. Instead of [words indistinct] a single man. [shouts, applause] [end recording]

Vows 'To Fight Tyrant'

PA140312 Paris AFP in Spanish 0217 GMT 14 Mar 86

[Text] Quito, 13 Mar (AFP) -- During a harangue [arenga] picked up this evening by local radio stations, Gen Frank Vargas Pazzos said: "Now I am going to fight against the tyrant who wants to tyrannize the people. The people will come, and if I have to die I will do so like a man." Gen Vargas Pazzos made this statement after seizing the Air Force base in Quito -- where he was being held awaiting a court martial -- only 48 hours after surrendering another Air Force base in Manta. Gen Vargas Pazzos surrendered to President Leon Febres Cordero.

Last night the president said that the 5-day mutiny led by the rebel in Manta, 419 km west of Quito, "was not only a case of military insubordination, but a political conspiracy underway."

Vargas on 'War Footing'

PA140700 Madrid EFE in Spanish 0420 GMT 14 Mar 86

[Excerpts] Quito, 13 Mar (EFE) -- From an Armed Forces jeep, rebellious Gen Frank Vargas Pazzos has declared himself on a war footing against the Ecuadoran Government headed by the "tyrant" Leon Febres Cordero.

Vargas made this statement at the entrance of the Mariscal Sucre military air base in Quito, before 500 civilians supporting him, who had gathered there after it was learned this afternoon that the military leader had rebelled for the second time in a week. According to Gen Vargas, his new rebellion is due to noncompliance with the promises he had received so that he would give up his rebellious attitude at the Manta Air Force Base, where he entrenched himself from 7 to 11 March. According to Vargas, he could not tolerate the fact that while he was held confined and incommunicado, Gens Luis Pineiros and Manuel Albuja, who were removed today from the Defense Ministry and the Army Command respectively, were free.

"They should be put in jail by the people," Vargas said. He had accused them of illegal appropriation of military funds and demanded their removal when he occupied the Manta Air Force Base on 7 March.

During his two public statements today, Vargas called President Leon Febres Cordero a "traitor" and a "tyrant" and said that he is determined to struggle "for a new democracy." In addition, he urged the Ecuadoran people to support him, stating that he had the full support of the Air Force, and he asked the Army, Navy, and national police to join him.

He called for the support of the Ecuadoran people and asked those present to surround the Quito Air Force Base in order to prevent possible attacks. His civilian followers replied to Vargas by requesting weapons. However, Vargas said that he could not deliver weapons to them, as he did not have large quantities. Then a hundred of sympathizers left to demonstrate, shouting and demanding President Febres Cordero's resignation.

Meanwhile, the government is holding a special session at the Presidential Palace, in the Quito's colonial sector, where the police are not allowing any vehicles to circulate. The police forces have also blocked access to the Mariscal Sucre Air Force Base, although pedestrians can still reach it. The base appears to be on a state of alert, in total darkness, and members of the Air Force are mounting a guard on all of its perimeters. Regarding the situation initially behind the conflict, the resignations of Gens Luis Pineiros and Manuel Albuja were made public today.

Official Spokesman on Situation

PA140440 Quito Domestic Service in Spanish 0249 GMT 14 Mar 86

[Statement by Patricio Quevedo, national secretary of public information; place not given -- live]

[Text] Compatriots: A few minutes after 1730 today, Frank Vargas Pazzos, former commanding general of the Ecuadoran Air Force [FAE] and a lieutenant general on inactive status, forcibly seized the Mariscal Sucre Air base in the city of Quito. This information, which was disseminated rapidly throughout the country, rightfully worries Ecuadoreans, who fear that it will interrupt the national normalization process that is necessary to heal old wounds and advance toward the lofty goals to which all citizens aspire.

Since the very essence of the democratic system is dialogue between the government and the people, and since the present government is so absolutely democratic -- not only because it was elected by 1.6 million inhabitants, but also because of the type of actions it has taken and the decisions it has made in 19 months in office -- one can understand why the government, in response to the instruction of President Febres Cordero and through me, has come before you to state the following.

On Tuesday of this week, with the desire to forestall a confrontation among Ecuadoreans, lengthy talks were held between Carlos Pareja, the lawyer who is the president's private secretary , and Lt Gen Vargas, who at the time was at the Manta Air Base. At the end of those complex negotiations, a certain number of points were established -- all of which have been meticulously and carefully complied with by the president and the administration he heads. Indeed, this sheet of paper that I am presenting for your consideration has a number of notes written by President Febres Cordero himself. By virtue of a basic sense of responsibility, the president was carefully following the progress of the negotiations and the talks underway in Manta. Those points of agreement were as noted.

First, it was established that Lt Gen Vargas would go from Manta to Guayaquil. This was done; shortly after 1800 on Tuesday Lt Gen Vargas was in our main port.

The second point was that he would place himself at the disposal of the person who is constitutionally his chief and commander in chief of the Armed Forces, the president of the Republic. This second point was complied with; at the external platform of he Guayaquil Air Base Lt Gen Febres Cordero. The two exchanged the brief, severe phrases required by the occasion and, indeed, by military protocol.

Third, it was agreed that Lt Gen Vargas would come to Quito from Guayaquil accompanied by an honor guard composed of very high-ranking general officers of the Air Force, the Navy, and the Army. This was done, as the entire country knows, on Tuesday evening of this week.

Fourth, it was established that Gen Vargas would go to the Quito Air Base and remain there until there was a hearing on the case, which has to be analyzed from the jurisdictional viewpoint. This was indeed complied with from the moment of his arrival until the episode under discussion occurred.

Fifth, it was decided that the jurisdictional analysis of the case would be carried out by regular military courts, which determine the common penal regulations of the Armed Forces. This must be the case, because we live in a democratic country and no citizen has special privileges, nor can any citizen be deprived of his rights. This has been confirmed by the president. Moreover, this very day, as Lieutenant General Andrade, commanding general of the FAE, was leaving government palace and was approached -- as usual -- by newsmen, who were exercising the absolute freedom of expression and of the press that prevails in our country, he confirmed the same thing.

Indeed, in the talks held in Manta it was decided that FAE officials and air technicians who were implicated in any way in the matter would be exonerated. This has been done, and as far as that is concerned, it will continue to be enforced. More detailed matters were also discussed in the negotiations. For example, as is recorded in the document, it was decided that after a prudent period Gen Vargas would be allowed to spend the night in his home and that his house would be provided with water, electricity, and, naturally, with supplies and food, as well as telephone service.

Proof of the strictness and willingness to fulfill to the utmost all of the points established is the fact that the secretary general of public administration himself was involved in this issue. Even the telephone service that had been interrupted at the general's house was reconnected to facilitate communications.

There is tangible, clearly visible, and irrefutable proof that these were the terms established on Tuesday, and nothing more can be done about this, because all of the terms have been completely and strictly fulfilled. Proof of this can be found in the statements made on Tuesday by Carlos Pareja, private secretary to President Leon Febres Cordero, in the presence of Gen Vargas at Manta Air Force Base. These statements were reiterated by officers and soldiers stationed in Manta. Let us hear the statement:

[Begin Pareja recording] [Words indistinct] officers, we have talked with Gen Vargas Pazzos about the country, about the tranquillity that must prevail throughout the country, about the reestablishment of the order that has been disrupted. Based on this, and without conditions, we talked as friends and have reached an agreement based on the following points:

1. Gen Frank Vargas Pazzos will be taken to Quito, where he will be at the disposal of the highest authority of the Armed Forces. In this case the highest authority is President Leon Febres Cordero, commander in chief of the Armed Forces. Following this, with all the honors and privileges he deserves because of his rank, Gen Vargas Pazzos will be tried by judges as established by military law. To further guarantee the purity of this process, an honor court has been appointed. This honor court is composed of high-ranking generals and will investigate the charges made by Gen Vargas Pazzos. All officers and aerotechnicians will enjoy guarantees. This applies not only to the officers and aerotechnicians at this base but also those at all Air Force bases in the country. These are not conditions, but an agreement we have reached for peace and tranquillity, [words indistinct]. [end recording]

This is irrefutable proof. This is the statement by Carlos Pareja at Manta Air Force base. He made this statement in the presence of Gen Vargas Pazzos, who was accompanied by garrison personnel of the area. We must stress that the hearings on this case will be in the hands of military judges. An honor court was appointed, and it will have a double mission: to accompany Gen Vargas to Quito -- and this was done early on Tuesday evening -- and to supervise the whole process. According to the terms established, it will even be possible for this honor court to hear any new charges that may be made by other individuals. The government is hoping that the final outcome of this matter will be a complete clarification [words indistinct] of the Ecuadoran situation.

The president of the Republic has always made good his word as a person and leader with the utmost rigor. In addition, he has gone beyond what is necessary. For instance, the disagreement between Gen Vargas and the former defense minister, Gen Luis Pineiros, was evident. Gen Pineiros' resignation was not to be discussed during the Tuesday afternoon conversation. Nevertheless, Gen Pineiros, in a demonstration of much sensivity, resigned, and his resignation has been accepted. This action is completely legal, because it has been published in Official Register 394, which deals precisely with Gen Pineiros' resignation. The disagreement between Gen Vargas and Gen Albuja, then Army commander, was also well known. Gen Albuja's availability was not determined in Tuesday's conversations. However, this is a completely legal fact because a decree has been issued designating the new commander in chief of the Army based on Gen Albuja's availability in the very same Official Decree 394.

Moreover, without this also being included on the agenda, today the president ordered the formation of a top-level commission, including several of the most prestigious and distinguished retired general officers of our Armed Forces, to supervise these processes. Not only were the points discussed on Tuesday fulfilled, but the government of its responsibility before the people in an effort to stress its willingness to lead the country to the unity and solidairity of Ecuadoarn family. It is doing all of this because of its willingness to fulfill its responsibility.

This very same responsibility determines that no person, regardless of their importance, is allowed to disrupt peace and order, indispensable requirements for all Ecuadoreans to overcome the crisis and move ahead dynamically and enthusiastically toward our development goals. The president himself said this a few days ago. No Ecuadorean, regardless of importance, is worth shedding a single drop of our fellow citizens' blood. This shedding of blood cannot be permitted and will not be permitted. The government has an undeniable commitment before the people and history. This commitment consists of overcoming the most complex, overwhelming, and gigantic problems and, with a formidable impulse, to succeed in having all Ecuadoreans enjoy a worthy and really creative life, thereby fulfilling its commitment to the people who elected it and to all citizens who support it. The facts have shown that the government has not ceased in this effort in the 19 months of its term. It is good to know that it will not cease in this effort a single moment, from now until its pledge to the people and history has been fully completed, Ecuadoran ladies and gentlemen..

Manta Base Backs Vargas

PA140401 Madrid EFE in Spanish 0330 GMT 14 Mar 86

[Text] Quito, 13 Mar (EFE) -- The Eloy Alfaro Air Base in Manta today renewed its support for Frank Vargas, according to information from Manabi Province, where the base is located and where General Vargas was born. The same radio reports indicate that in the city of Portoviejo (Manabi Province) demonstrations "never before seen" are taking place.

Thousands of persons, led by Provincial Prefect Richard Guillen, began a rally in support of Vargas in the main avenue of the city. At the same time, vehicles from Chone, Portoviejo, Manta, and other points of the province are heading for the air base, which at this moment has had its communications cut and is blacked out, as if on a war alert.

Vargas, who rebelled 5 days ago after charging raking Ecuadoran military leaders with corruption, today occupied the Quito air base with the support of the garrison. He had been in detention there since last Tuesday pending military trial.

State of Emergency Declared

PA140552 Quito Radio Quito in Spanish 0507 GMT 14 Mar 86

[Text] We are reporting from the Press Room at the Presidency of the Republic. A few minutes ago the president of the Republic, Leon Febres Cordero Ribadeneyra, decreed the following:

Article 1. We declare a state of national emergency.

Article 2. The territories comprising Pichincha and Manabi Provinces are declared security zones, subject to the law.

Article 3. Constitutional guarantees are suspended in the jurisdiction of Pichincha and Manabi Provinces, with the exception of the rights to the inviolability of life and personal integrity. However, no Ecuadorean will be (?expelled) or confined outside the provincial capitals. [passage indistinct]

Article 4. Prior censorship is established throughout the territory of the Republic social communications media attempting to disrupt order.

I will repeat Article 4 in order to prevent misinterpretations. Prior censorship is established throughout the territory of the Republic in social communications media attempting to disrupt order.

Article 5. The Armed Forces will comply with the provisions of Articles 40 and 58 of the National Security Law.

Article 5. The Court of Constitutional Guarantees will be notified, as the National Congress is not currently meeting.

Article 7. This decree will be effective on this date, and the ministers of government and national defense will be responsible for its implementation.

Issued at the National Palace in Quito on 13 March 1986.

Signed: Leon Febres Cordero Ribadeneyra, Constitutional President of the Republic;

Luis Robles Plaza, Minister of Government and Justice;

Colonel Division General Jorge Azanza, acting Defense Minister.

I have just read Decree 16-86, which has just been signed by the president of the Republic.

In addition, Education Minister Camilo Gallegos Dominguez has suspended classes throughout the country beginning tomorrow. This was a report directly from the Press Room at the Presidency of the Republic.

Chamber Forms Mediating Group

PA140747 Quito Radio Quito in Spanish 0518 GMT 14 Mar 86

[Official communique issued by Abberoes Bucaram, president of the National Chamber of Representatives, on 13 March; read by unidentified speaker at the Press Room at the Legislative Palace -- live]

[Text] Aberroes Bucaram, president of the honorable National Chamber, urgently convoked all of the honorable deputies of the Ecuadoran parliament tonight in order to reinstall immediately the permanent General Commission that had been installed on Friday, 7 March, in the face of the crisis of a military nature already known to the public.

The president of the Chamber, with a considerable number of deputies, is currently and permanently meeting at the Legislative Palace, analyzing the grave problem confronting the country in order to adopt decisions aimed at strengthening and preserving the democratic system.

The president of the Ecuadoran parliament has just appointed a new mediating commission, made up of Honorable Deputies Aberroes Bucaram, who will preside over it, Leonidas Plaza Verduga, Francisco Mejia Villa, Raul Baca Carbo, and (Roberto Dunn Guerreiro), which will meet tonight with Leon Febres Cordero, the president of the Republic, and with Lt Gen Frank Vargas Pazzos, former FAE general commander, and other civilian and military authorities involved in this serious matter, in an attempt to seek an immediate solution to the crisis confronting the country.

President of the Chamber Aberroes Bucaram expressed his deep personal concern, as well as that of the honorable deputies, over the deterioration of the situation, which had been initially resolved.

Radio Station Closed Down

PA140751 Madrid EFE in Spanish 0655 GMT 14 Mar 86

[Excerpts] Quito, 14 Mar (EFE) -- In the enforcement of the decree issued at midnight establishing censorship for those news media that disturb public order, the national government has ordered several radio stations closed down immediately.

Jorge Aguilar, president of the Ecuadoran Association of Radio Broadcasters, AER, has told EFE that his radio station, Radio Sideral, was closed down tonight. A similar measure has also been adopted against the radio stations Radio Tarqui and Radio Exito in Quito. Aguilar added that radio announcer Rafael Guerrero Valenzuela of Quayaquil has been urgently summoned to the office of the governor and that "he could well have been detained. Should this be the case, the AER would take the necessary measures."

After Radio Democracia in Quito broadcast an appeal by Gen Vargas to form a civilian-military government, this station was also closed down, while an interview with Social Democratic Party leader Rodrigo Borja was in progress.

Meanwhile, the state's Radio Nacional has announced that the country's radio stations will form a network "for democracy" early today. President Febres Cordero and all the members of his cabinet are currently at the presidential palace, where they met with a delegation of the national parliament, while the Plaza de la Independencia, near the palace, is cordoned off by the police. Police vehicles are preventing the other vehicles from entering nearby areas.

Officers Urged To Surrender

PA141403 Paris AFP in Spanish 1227 GMT 14 Mar 86

[Text] Quito, 14 Mar (AFP) -- At least four tanks came near the military base held by Lt Gen Frank Vargas Pazzos early this morning, and the insubordinate officers were asked to surrender through loudspeakers. The officers were assured that no reprisals would be taken. The Ecuadoran Army tanks neared the military base at approximately 0500 (1000 GMT).

Early this morning approximately 200 persons were at the base's main gate, including 50 local and foreign reporters, whose access to the base was blocked by three buses.

"Let us defend Ecuador and its democracy, cease your actions, surrender your weapons, and there will be no reprisals or bloodshed among brothers," the armed patrol car announced at various places through a loudspeaker. Later tanks fired eight times into the air, and this created unrest among those present.

Vargas came out at approximately midnight to announce a march toward the Palace of Government to be held between last night and today. He carried a machine gun and ammunition clips in one clenched fist.

Due to the emergency situation, classes have been suspended. Although there was no transportation, people were trying to get to their jobs.

Albuja Asks 'Separation'

PA141439 Quito Domestic Service in Spanish 1300 GMT 14 Mar 86

[Text] In a letter addressed to the president, Division General Manuel Maria Albuja has requested: Through every legal means available to you, please conduct a thorough, impartial, and meticulous investigation to clarify -- with the urgency demanded by the case -- rash accusations made, determine pertinent responsibilities, and punish the culprits in an exemplary manner with the severity permitted by the law in these cases.

In the document, Div Gen Albuja, a paratrooper, notes the rash accusations -- which are publicly known and which have caused unrest and distrust among Ecuadoreans and indignation and confusion among the Armed Forces, particularly among the ground forces -- made against him by Lt Gen Frank Vargas Pazzos and tells the president that Vargas Pazzos is using the media available to him, without stopping to consider the negative consequences of his thoughtless behavior, to stain the honor and dignity of Albuja, who has remained beyond reproach in his position as an Ecuadoran soldier and throughout his military life. He also said that he has kept his honor and dignity as a responsible parent who sets a good example for his children and as an honest and upright citizen who always obeyed, respected, and enforced the laws and regulations that guide our social life.

The note also said that these accusations have been detrimental to the institutional process and attacked the state's security. Therefore, Albuja reiterated his request to the president that a thorough, impartial, and meticulous investigation be conducted in order to clarify, with the urgency demanded by the case, the rash accusations made, determine pertinent responsibilities, and punish the culprits in an exemplary manner with the severity permitted by the law in these cases.

Previously, Albuja had sent a note to the president stressing: In view of the incidents you already know about and in an effort to avoid distortions and speculations [words indistinct] and impartiality of the investigations and the corresponding legal action that must be taken as a result of the irresponsible and rash accusations against me by Vargas Pazzos, I respectfully and voluntarily make my post available and thus request my separation from the post I have been holding.

Albuja thanked the president for his support during the time he was in charge of the Army's General Command and expressed hope that the president's administration makes the best achievements for the welfare and progress of the Ecuadoran people.

Army Seizes Sucre Runway

PA141530 Madrid EFE in Spanish 1506 GMT 14 Mar 86

[Text] Quito, 14 Mar (EFE) -- According to the last available information, the Army has seized three-fourths of the runway of the Mariscal Sucre Military Base. With approximately 15 armored vehicles, supported by light vehicles and infantry troops, the government forces occupied part of the runway following a shootout between troops loyal to rebel General Frank Vargas and the Army, with no reports on possible victims.

Reports from the airport indicate that Vargas' civilian supporters, who had been gathering around the base since last night, blocked the government troops' advance with their presence. In the end, the civilians left the area at the request of the government troops. Sources at the civilian airport, whose installations are located next to the military base, told EFE that traffic is closed and that all flights have been canceled.

COLORADO PARTY WARNS U.S. ENVOY ON 'MEDDLING'

PY101848 Asuncion Domestic Service in Spanish 2330 GMT 9 Mar 86

[From the "Voice of the Colorado Party" program]

[Text] Mr Clyde Taylor is an extremely naive ambassador. The only thing is that his naivete goes a little bit too far because it leads him to maintain contacts with members of the irregular opposition which, as everyone knows, operates outside the laws and the Constitution, violating inalienable legal provisions. At least this is the way we see it in our country and if it is not the way they see it in his country then we are very sorry, it is hardly our fault and maybe not even his fault.

It would seem that he is not aware of all this because he has acted surprised when we accused him of meddling in Paraguayan political affairs that comply with principles and regulations that we Paraguayans respect. Mr Taylor's naivete is his own business but we do not find it funny or even suitable for him to come around here and make problems for us because of this naivete, because our country is currently going through its most significant phase as a free, sovereign, and progressive nation and it is not right for someone of Mr Taylor's standing to be playing into the hands of left-wing politicians well known for operating outside the laws and the Constitution.

If, by any chance, the idea is to encourage something along the lines of what happened in the Philippines then those behind it are far off the mark because Paraguay is ruled by a democratic administration elected by an absolute majority of the Paraguayan people who are prepared to defend under any circumstances this process of peace, progress, and freedom that Paraguay has been enjoying, a process that all good Paraguayans are helping to consolidate.

Those who are on the side of the law, operate within the law and are prepared to defend the law. To go against the law is treason and the members of this minute, splintered and aggressive irregular opposition are guilty of this crime. Thus, it is unfortunate that Mr Taylor, in all of his naivete, is becoming an accomplice of these criminals, by naively attending their gatherings and letting them come, at his invitation of course, to his embassy. They do not display the same innocence but rather the shamelessness of those who know that they can deceive a naive and easy-going Yankee. At least that is what the irregulars believe, as if we Colorados were not smart enough to fathom their shenanigans and as if this were the first time that they are trying to make an unwary ambassador the scapegoat, since by meddling in our domestic affairs he cannot avoid being accused of being a busybody even if he appears to be doing so in utmost innocence, as Mr Taylor's case seems to be.

Let us hope that his naivete is not the same as that of one of his countrymen, the ill-remembered Ambassador White who went so far as to take his own wife to tea at the house of the communist Domingo "Scarecrow" Laino, or of the latest U.S. representative we had who lied while boasting of splitting the Colorado Party as the utmost accomplishment of his tour of duty. If this is not the case, then Mr Taylor would do well to think about what he is doing and display more respect for the laws that govern political affairs in our country.

For the time being he seems to be merely naive, but there is a limit even to naiveness because one cannot be naive to the point of getting friendly with the worst people there are in this country because in this case one could be only one of two things: either an unprecedented naif or an accomplice of the subversive communist conspiracy that is threatening to destabilize all the democratic governments of this continent.

In an earlier commentary we had already explained that meddling means interfering with the affairs of other people, that is, sticking one's nose in matters that are none of one's concern and one's advice is not needed. It is tantamount to going to a neighbor's house without being invited and beginning to move around the furniture and the pictures hanging on the walls, and in general, doing things that one has not been invited to do.

Usually protected by some immunity and generally on a mission of peace and fraternity on behalf of their governments, the first thing this kind of meddlers do when they get somewhere is to stick their noses into local politics and take the side of certain opposition minority groups that in our case are operating outside the law, decency, and respect.

This kind of interference has no place in our country and this is so because our Constitution and our laws prohibit it, just as it is prohibited by international principles and regulations, which must be respected because every country has its own principles that are not always similar to those of other countries as is the case of Paraguayan and U.S. principles.

If Mr Taylor is really naive, he should spend some more thought on these things that are very important for maintaining good relations between our two fraternal nations. This is all the Paraguayan people and government expect of him so that his diplomatic actions do not follow the muddy and dangerous trail along which political adventurers who traffic with hate and lies are sloshing.

GOVERNMENT TO CONTROL PRICES OF STAPLES

PY082125 Asuncion EL DIARIO in Spanish 8 Mar p 11

[Text] All offices of government delegates and municipalities were ordered to control the prices of staples throughout the country according to a resolution released this afternoon by the Industry and Commerce Ministry and signed by its Minister Delfin Ugarte Centurion.

The resolution seeks to: "Prevent pricing distortions, fight speculation, and ensure a fluid supply to essential products to the population at normal prices."

The resolution has seven articles, one of which authorizes the offices of government delegates and municipalities to sanction those who violate the price control. The measure "is aimed at protecting consumers from unfair commerce practices, but it is pointed out that this measure is of an exceptional nature since it will last only until the current price situation returns to normal."

GARCIA DEPARTS FOR ARGENTINA ON 3-DAY VISIT

PY141125 Paris AFP in Spanish 1015 GMT 14 Mar 86

[Text] Lima, 14 Mar (AFP) -- In response to an invitation from President Raul Alfonsin, Peruvian President Alan Garcia today left for Buenos Aires at 0430 (0830 GMT) on an official 3-day visit to Argentina. Garcia, who will sign a joint statement with Alfonsin after reviewing the foreign debt issue, a freeze on the arms race, the [Latin American] integration issue, and several economic and trade cooperation agreements, departed aboard the presidential airplane from the military base next to Jorge Chavez Airport in Lima. Garcia is accompanied by his wife, Pilar Nores de Garcia, who is an Argentine citizen, Foreign Minister Allan Wagner Tizon, congressmen from various political blocks, and high-ranking military officers.

TERRORISTS BLACK OUT LIMA, OTHER CITIES

PY141122 Paris AFP in Spanish 0409 GMT 14 Mar 86

[Text] Lima, 13 Mar (AFP) -- Tonight, on the eve of President Alan Garcia's trip to Argentina for an official 3-day visit, terrorists blacked out this capital of 6 million people as well as several other cities.

The power outage began at 2220 local time (0220 GMT 14 March). It apparently was caused by the bombing of the Huinco power plant, some 60 km east of Lima, according to information obtained in the Chosica winter resort.

Police sources have reported, meanwhile, that a Civil Guard booth was bombed in the highly populated San Cosme neighborhood and that reports on other dynamite attacks throughout the city were being investigated. The same sources also indicated that further details about the case of the sudden power outage were not available.

The Peruvian chief executive plans to depart for Buenos Aires at 0500 local time (0900 GMT) on 14 March. Thus, political circles have been speculating that the terrorists caused the outage in order to mar Garcia's official trip to Argentina. The power company merely explained that the outage was caused by yet unknown problems at one of the three hydroelectric power stations that supply Lima, several cities on the northern coast, and the southern city of Ica. Power company sources refused to confirm the report that Shining Path terrorists had blown up several high-voltage pylons. The fire department confirmed that a fire was put out in a downtown store and that dozens of people were taken out of elevators paralyzed by the power outage in several high-rise buildings. Armored vehicles full of soldiers, patrol cars, and hundreds of policemen were immediately deployed throughout Lima, checking vehicles and suspects.

Since 10 February, Lima has been living under a state of emergency suspension of constitutional rights and a curfew between 0100 and 0500 local time (0400 and 0900 GMT). President Alan Garcia's administration levied these exeptional restrictions to curb the terrorist onslaught of the Shining Path, which so far this year has claimed 173 lives.

Unleash 'Fierce' Attacks

PY131537 Buenos Aires TELAM in Spanish 1854 GMT 12 Mar 86

[Text] Lima, 12 Mar (TELAM-ANSA) -- Seeking to expand its area of influence, the Maoist Shining Path terrorist group recently unleashed a fierce terrorist campaign.

Continuous attacks and harassment of antisubversive forces have been taking place on the Andean plateau and at public offices and portions of the communications network have been destroyed.

Most of the extremist sorties have occurred in Puno and Apurimac Departments. The most serious attack was directed at Ayaviri, Puno, where several public and private establishments were bombed. The attack compelled Ayaviri Mayor Luis Duena Peralta to ask the central government to declare a state of emergency in Puno, thus broadening the provisions implemented earlier to cope with the situation caused by the floods and the overflowing of Lake Titicaca.

Duena Peralta justified his request by reporting that the Agrarian Bank branch, the No 1 and No 5 electric power substations, the city hall, and many private establishments were destroyed. The deputy mayor also reported that the extremists attacked and looted peasant dwellings around the city, and that a powerful bomb seriously damaged the building of the Banco de los Andes in the capital of Puno Department. The La Voz del Altiplano radio station and immigration offices are in this building.

Meanwhile, intelligence services have warned that there could be an upsurge of terrorist actions simultaneous with President Alan Garcia's trip to Argentina in order to besmirch his important meeting with President Raul Alfonsin in Buenos Aires.

The Armed Forces Joint Staff today reported two tragic events. The first of them took place in La Mar Province, in the Andean southeast, where a military detachment killed six terrorists in a shoot-out.

The other unfortunate event involved the death of two women, mothers of families that are participating in the so-called temporary settlement program that President Garcia himself is encouraging.

According to the military spokesman, the victims were traveling in a truck along with other women and the truck driver failed to stop when ordered to do so by the personnel at a military checkpoint. The soldiers then fired their weapons at the truck, and the two mothers were shot to death. This unfortunate event promoted the military command to urge the people to heed military orders to halt for as long as the state of emergency and the curfew are in effect in Lima.

Threaten To Kill Officials

PY131541 Paris AFP in Spanish 1720 GMT 12 Mar 86

[Excerpts] Lima, 12 Mar (AFP) -- The Peruvian Armed Forces Joint Staff today confirmed that six guerrillas, including a woman, died in an attack on an Army detachment while it was crossing a bridge in La Mar Province, Ayacucho Department, 570 km southeast of Lima.

The sources also confirmed that 10 government officials in Quinua District, also in Ayacucho, recently received death threats from the Shining Path, which wants them to resign.

The Civil Guard reported that the local post office received an anonymous message from the Shining Path threatening to kill the mayor, the judge, the provincial governor, a leader of the ruling American Popular Revolutionary Alliance, three municipal officials, two peasant leaders, and the local chief of the Civil Guard, Capt Lorenzo Ibanez.

The anonymous threat called for their resignations and warned that if they fail to do so, they will be executed after a people's trial.

COPEI LEADER SAYS DEBT AGREEMENTS HARMFUL

PA130221 Caracas EL NACIONAL in Spanish 1 Mar 86 p D-1

["Text of television speech by COPEI Secretary General Eduardo Fernandez on 28 February]

[Excerpts] Dear compatriots:

The president of the Republic addressed the nation yesterday to report the signing of agreements for the refinancing of the foreign debt. There are many Venezuelans who disagree with the signing of these documents, which go against the country's interest and the dignity of the Republic, which are harmful and very onerous to the Venezuelan people, which punish the present generation and the next generations of compatriots, and which were not subject to consultatations; such a grave and delicate matter should have been informed about it. As secretary general of the main opposition party, I am informing the country that COPEI was in no way consulted about the extent of these documents, which were signed at the Chase Manhattan Bank in New York yesterday.

I also want to say that the president of the Republic does not have the right to question the patriotism and honest intentions of all the Venezuelans who disagree with this government policy. I want to state that in our case we have always acted thinking of the nation's best interests and we regret that the firmness that the president shows in criticizing those who disagree with his government policy was not used by his government to discuss with foreign bankers and express Venezuela's rights to a more satisfactory solution.

I want to state something that seems very important to me: We feel that these contracts are rash, among other things, because the country does not know yet what the availability of resources in dollars will be to face this situation. We do not know how much we will receive in foreign exchange because the oil market is fluctuating too much, because there is a plot aimed at dropping the oil prices, and, as stated by a very authoritative person, the U.S. President, Mr Reagan, there is a plot aimed at bringing oil producing countries that are OPEC members to their knees. Under these circumstances, we should have linked the payment of Venezuela's foreign debt to the level of our revenues in dollars and not to the existence of international reserves, which are not our savings but those of the Venezuelan people, which we should not have taken to the negotiating table so meekly because it is necessary and indispensable to guarantee the financing of economic and social development programs.

I belong to a new generation of Venezuelans who do not want to continue looking back. It worries us that the government continues to run the country through a rear view mirror. We are running the risk of crashing because the government won't look ahead. We regret that 2 years have been lost in a useless argument about the faults of the past when the country demands that the electoral promises made be kept, that the economy be reactivated, and that something be done for the 500,000 Venezuelans who are jobless, which was the topic of the thorough pastoral letter issued by the Venezuelan bishops. What this country is demanding is not to look back, but if one must look back, it must be done with clarity. We feel that these refinancing agreements, which were signed several days ago and which the president reported to the country yesterday, do not include a contingency clause that truly guarantees the rights of Venezuela.

The state, the nation, and the government have committed themselves to supervision, inspection, vigilance, and certain conditions that guarantee that our economic development will be managed in accordance with the need to pay the foreign debt. However, I maintain, and I am sure that I am interpreting the feelings of a vast majority of Venezuelans, that our country's economic development must be based on the need to resolve the economic and social problems of the Venezuelan nation. In any event, we have never said that we should not honor the foreign debt. We have never advocated arguments aimed at postponing this negotiation indefinitely. We simply believe that the changes made in foreign exchange revenues, interest rates, and the world economic situation were sufficiently grave to make the Venezuelan Government pose the need to go to new negotiations.

We have the problem of the high cost of living, and the government's economic policy of increasingly trying to get the largest number of bolivares from the fewest number of dollars is a policy that is going to result in an inflationary process and a high cost of living that will hurt the largest number of Venezuelans. In addition, we have a problem of an insufficiency of resources. Of every $100 that the nation receives, 60 have to go to pay the foreign debt. In addition, we need 80 to finance imports that are indispensable for the development of our economy and to take care of the social needs of the Venezuelan nation. Consequently, to begin with, we already have a very serious deficit. The government is taking us on the wrong path. Now, the Venezuelan nation has many resources and many capabilities. As I have said many times, we live in a country where it is worth living. The solutions are there. COPEI, within its policy of a great responsibility to the country and within its attitude of placing the country's interest before any party wishes, has a disposition to serve the Venezuelan nation. Its technicians, its professionals, and its teams are there to offer alternatives to reactivate the economy, to make the country move on, to create more jobs, to generate wealth, and, above all, to allow us all to recover the confidence that we can resolve problems and overcome difficulties.

Thank you and good evening.

GOVERNMENT REPLIES TO COPEI STATEMENT ON DEBT

PA111728 Madrid EFE in Spanish 0155 GMT 10 Mar 86

[Text] Caracas, 9 Mar (EFE) -- The Venezuelan Government issued a communique today stating that the country's public foreign debt increased by more than $17 billion during the administration of Christian Democrat Luis Herrera Campins. The local press interpreted the Finance Ministry's report as an official reply to attacks from the opposition COPEI whose spokesmen pointed to the ruling Democratic Action (AD) as the main culprit in Venezuela's foreign indebtness.

The Finance Ministry document points out that there was a total disorganization of public debt information matters during the Herrera Campins administration.

To back up such a claim, it points out that in 1933 the Finance Minister had to contact foreign creditor banks via telex in order to obtain information regarding short- and medium-term debt total figures.

The report also notes that at the end of 1978, which marked the end of the administration of Social Democrat Carlos Andres Perez, the public foreign debt was $7.253 billion.

Such figures contradict statements by COPEI Secretary General Eduardo Fernandez who pointed out that Perez left a debt larger than $21 billion.

The document states: "The public foreign debt at the end of the 1978-1983 5-year period (corresponding to Herrera Campins) totalled $29.176 billion."

The COPEI-government controversy on the issue of foreign indebtedness worsened on 26 February when the chief executive signed a restructuring contract with creditor banks totalling $21 billion, or 94 percent of the public foreign debt.

MINISTER COMMENTS ON STAND AT NEXT OPEC MEETING

PA122228 Caracas Television Service in Spanish 0000 GMT 12 Mar 86

[Excerpts] At the upcoming OPEC meeting to be held in Geneva, Switzerland, Venezuela will reiterate its position on the need to make the price system more flexible in keeping with the development of the market, but with the tacit approval of most organization producers. Here is a report by Carlos Fernandez:

[Begin recording] [Fernandez] That criteria was expressed by Arturo Hernandez Grisanti, Venezuelan energy and mines minister and current president of the OPEC conference. He presented a summary to reporters on the Venezuelan position at that meeting. With reservation, and in keeping with the circumstances, Hernandez Grisanti said that it is necessary to establish a price scheme to prevent competition among organization members that would only worsen existing problems.

If OPEC does not adopt a decision to promote market equilibrium together with other non-OPEC members during the upcoming conference, anarchy will probably set in inexorably. That was the minister's main conclusion.

[Hernandez Grisanti] We will insist that if the organization's goal is to compete for a certain participation in the market, then we must adopt measures to ensure that we will do just that in an organized, organic, and cohesive way; OPEC producers must not contribute to creating an anarchic state in the market because that goes directly against our interests.

[Fernandez] Another complementary element, which is related to Hernandez Grisanti's statement, is that several non-OPEC countries, including Mexico and the Sultanate of Oman, will participate in the Geneva meeting. This is undoubtedly a positive aspect amidst the crisis.

We should not expect an important decision from this OPEC meeting, which will begin on Sunday, 16 March, on a reorganization of the international petroleum market. In this case, we will have to wait for a decision from member countries regarding the establishment of common policies to face the crisis. [end recording]

GOVERNMENT TO NEGOTIATE DEBT WITH 5 COUNTRIES

FL120300 Mexico City NOTIMEX in Spanish 0230 GMT 12 Mar 86

[Excerpt] Mexico City, 11 Mar (NOTIMEX) -- Mexican Finance and Public Credit Secretary Jesus Silva Herzog said today that Mexico will negotiate its foreign debt payments with five more countries so that the payments are adjusted to Mexico's current economic ability.

By telex, the official told finance ministers from Canada, Japan, Germany, France, and England that the Mexican Government will confront its debt problem by negotiation and agreement.

Mexico is confronted with a severe reduction of its income, he added, which requires a new focus that demands creativity, shrewd efforts, and flexibility.

The Mexican secretary said the financial requirements could increase or decrease depending on the future behavior of the international oil market. The country currently will require $6-$7 billion.

FINANCE SECRETARIAT REDUCES PETROLEUM CEILING

PA121729 Mexico City XHDF Television Network in Spanish 0300 GMT 11 Mar 86

[Text] In a document issued tonight, the Finance and Public Credit Secretariat reports that the petroleum ceiling for this year has been reduced to 1.3 million barrels a day at an average price of $15 a barrel. The same document indicates that a new term of 180 days has been obtained for Pemex to pay off trade acceptances for $3 billion.

PRESIDENT DE LA MADRID TOURS TLAXCALA STATE

PA121956 Mexico City XHDF Television Network in Spanish 0300 GMT 12 Mar 86

[Report by Humberto Mares in Tlaxcala]

[Excerpt] President Miguel de la Madrid today said that in the face of our powerful northern neighbor, Mexicans have improved our nationalism and independence. In a political event held during a working tour of Tlaxcala, the president told PRI members in the state that in the face of the challenge of maintaining our identity and our political and economic independence, the workers, peasants, and popular classes have placed the great national values above their personal interests.

[Begin recording] That is why we Mexicans have established a political system that has been constantly concerned with giving strength to the Mexican state because the Mexican state is the way that we organize politically to strengthen ourselves as a sovereign country, to resolve our disagreements through political negotiation, and to oppose any plan aimed at diminishing the nation's independence. [end recording]

The president stated this during a breakfast held by the PRI sectors in the state. He told them that a strong state is not an authoritarian state. It must be a democratic state, he said, expressing congratulations to the PRI for having democratically elected its candidates for municipal presidents in this state.

NATIONAL STRIKE AGAINST LABOR REFORM CONTINUES

Conato Rejects Proposal

PA140250 Panama City Televisora Nacional in Spanish 0115 GMT 14 Mar 86

[Text] Our reporters have confirmed that a few minutes ago the lengthy all-day meeting between the National Council of Organized Workers (Conato) leaders and important national government representatives to seek a way out of the nation's crisis concluded. We have learned that today's meeting began with a thorough analaysis of the general Panamanian situation and the consequences of everything that has occurred in the country in the past few days. After this deep consultation, the government presented the following proposal to Conato:

1. The designation of a higher working commission formed by Conato leaders and advisers and government labor experts and officials fully authorized by the national government.

2. This higher commission would draft a new plan of adjustments to the labor legislation correcting any aspect of the project that has been delivered to the Legislative Assembly and that, according to the workers, harms them.

3. Once this agreement between the government and Conato is defined, this document would also be the draft to be supported in the Legislative Assembly by all of the parties that form the National Democratic Unity, UNADE, an alliance that is part of the current government.

4. This same commission -- expanded -- would continue to work so that Conato and the government can analyze other aspects of the national economy in detail.

5. Only after the signing of the new draft and Conato and the government pledge to make further analyses would the two groups announce to the country the suspension of the current national strike. Efforts would be made to restore things to normal as soon as possible, and the government would make a firm pledge not to foster another labor amendment in the coming years.

We have learned that after discussions and debates on the five-point proposal by the government, the Conato leaders withdrew to a private meeting in which none of the government members participated. After this meeting, Conato returned to the meeting and announced that it categorically and vigorously rejects the new proposal made by the government today, Thursday, 14 March, and insisted that the government immediately withdraw the three drafts already discussed at the legislative assembly. Jose Manuel Meneses, Conato coordinator for this month, asserted that an understanding could be reached once the three drafts are withdrawn from the assembly.

According to the official sector, President Eric Delvalle's entire economic program would be altered if these drafts are withdrawn, and mass dismissals would be necessary at ministries and autonomous institutions as of next Monday.

Finally, this station learned from reliable sources that the national government is determined to continue with its original plans. At 0930 tomorrow the labor code draft amendment will be discussed at a second debate in an urgent, regular meeting. We have also learned that the government has stated that it has an economic development plan with which it will proceed. In addition, at this very moment various meetings are being held between representatives of political groups, civic organizations, and unions aimed at preventing the national crisis from aggravating even further. These meetings are taking place in homes, local restaurants, and hotels. This station makes a firm appeal to all groups involved in this situation so that peace, calm, and normalcy can be restored as soon as possible.

Forces Occupy Refinery

PA132130 Panama City LA PRENSA in Spanish 13 Mar 86 p 16A

["In a Few Words" column]

[Excerpt] The strike is continuing full steam with the participation of more sectors and the bewilderment of the official sectors. The violent reflex reactions of the Armed Forces are nothing but the paradoxical expression of their impotence. I am talking about such arbitrary actions as the unjustifiable arrest of the refinery union leaders and the brutal intervention in the port of Cristobal where they forcibly dislodged the workers by means of tear gas grenades. The only effect that these demonstrations of brutality will have is to further inflame the striking workers and to strengthen their determination to struggle.

Let us look at what happened at the refinery. The night before last, the following people arrived at the refinery: Major Benitez, chief of the zone [the 2d Military Zone in Colon]; Selhorn and Quintero of the Labor Ministry; Segistan, deputy minister of the Presidency; and legislators Argenida de Barrios, Jose Young, Rigoberto Paredes, Luis Navas, and Hugo Giraud. The latter were received with placards stating: "Those are the ones who sell out the nation." They shouted to Yodigo Rigo [Democratic Revolutionary Party legislator Rigoberto Paredes]: "Fraudulent, corrupt, assassin, get out of here!" Afterward all the official representatives held a meeting with the union leadership. They demanded that the workers deliver to them 30 percent of the normal daily supply of the refinery. The union leadership replied that the workers were on strike, that they were part of the Confederation of Workers of the Republic of Panama, which in turn is a member of the Conato. Therefore, they said that any change in the policy of the union must come directly from Conato. The meeting ended at 0200 without any agreement being reached. The workers who were outside shouted to the legislators that they should reject the anti-national bills. For the record, Argenida de Barrios shouted the following: If the National Democratic Union (UNADE) legislators vote against the three bills, it would be a victory for the opposition which could then reach power.

Meanwhile, 11 trucks of various government institutions arrived to be loaded with fuel, but they all left empty. The following morning, troops of the Panama Defense Forces, FDP, arrived in combat gear at Cuatro Altos. A patrol car (No 15) of the Military Police posted itself at the entrance of the road to the refinery. There was absolute calm. At 1400, the rumor circulated that the gorillas were going to seize the refinery because the meeting held in Panama City with the Conato leaders had failed and they had refused to issue the order to the union affiliate. At 1500, in a commando operation, the gorillas seized the refinery and pursued the workers until they cornered them and held them at gunpoint in the utility section. But since they are so magnanimous, they did not execute the workers. The manager of the plant then intervened in favor of the workers. There was a bitter exchange of words between the workers and the captain who led the operation. Rosendo Rodriguez then arrived to report that union leaders Humberto Blandon and Luis Tamayo had been arrested at the Sabanitas headquarters when they were returning from the meeting in Panama City. He also reported that the strike was continuing and that the position of the union remained firm. The captain then proposed the following to the workers: If you leave the area, in 45 minutes I will order the release of those arrested and they will be brought to the refinery so that the work will be normalized. The strikers left, closed the gates, and raised their banners and placards. The gorillas occupied the plant and began to distribute gasoline with the help of the production supervisors. That is the information that I have, but as I have said, I will continue reporting.

Strike Actions Detailed

PA131355 Panama City STAR AND HERALD in English 13 Mar 86 pp 1, 4

[Text] The National Council of Organized Workers (CONATO) yesterday reiterated -- at the end of a massive march along Central Avenue to Santa Ana Plaza -- their decision to reject a government proposal to reform the Labor Code, and urged workers across the country to stand firmly in the "indenfinite strike" called on Monday.

The march, which began at noon, paralyzed vehicular traffic along the city's main thoroughfare for hours. Commercial establishments along the route were closed, some voluntarily to support the strikers, while others for fear of reprisals.

Meanwhile, President Eric Arturo Delvalle, who seemed to be weathering the labor crisis for the past three days, said that he was in control of the situation, and that "even without the concurrence of the affected parties, the proposed bills on reforms to the labor, industrial and agriculture laws will remain before the National Legislative Assembly for approval. The 48-year-old president, who has been in power for just six months, said the reforms would benefit all areas of the economy and permit the refinancing of the nation's foreign debt.

The labor reforms, which would slash payment for overtime and other pro-worker benefits, were recommended to Panama by the International Monetary Fund and World Bank as part of an economic austerity program.

The capital began its fourth day of general strike today in a tense calm, following sporadic incidents yesterday, which saw small groups of workers snarl traffic during the morning with makeshift barricades, and again in the afternoon with demonstrations.

The strike, which has shut down Panama's sole refinery has already provoked crippling gasoline and cooking gas shortages.

An estimated 60 percent of Panama's industry and manufacturing sector has been partly affected or closed down by the strike. Also closed down for the fourth straight day are offices of the state-controlled National Telecommunications Insitute (INTEL), Institute of Hydraulic and Electrification Resources (IRHE), and National Port Authority.

Humberto Soto, Director of Balboa Port, said however that operations there had been only partly affected. Longshoremen are still available to load or unload cargo from vessels scheduled to dock in Panama, and Panama Canal operations are not threatened by the strike, he said. The Refinery strike has left 90 percent of the gasoline stations in the capital without fuel by Wednesday afternoon, according to a spokesman for the National Association of Gasoline Distributors. The remaining 10 percent were expected to run out by this morning, the spokesman added.

Julio Escorcia, a spokesman for the Refinery Workers Union, told newsmen that the National Defense Forces had requisitioned 15,000 gallons of gasoline from the refinery early Tuesday morning, but liquid gas, used for cooking purposes, were notably absent yesterday in most supply shops and supermarkets.

But a government spokesman is reported as saying Wednesday that the National Defense Forces had moved to take over the refinery. It was not clear whether the nation's armed forces planned to restart operations.

Meanwhile an ANSA news agency dispatch out of Panama said yesterday that Panamanian President Delvalle's administration was on the edge of economic and political collapse, according to several local political observers. Doctors and banana workers have been striking for more than 10 days demanding better salaries and working conditions, while organized labor unions were going into their fourth day of strike with increased supporters, aiming to stop all activities in the country, which could take place within the next two days, if no solution is reached, ANSA said.

Members of the Collective Transportation Union (SICOTRAC), comprising buses and taxis, have not supported the strike. However, they were expected to stop giving service today or tomorrow because of fuel shortage. "It will depend on the government and National Defense Forces to supply the gas, if they are to keep on rolling," said one businessman. The general consensus is that the current situation is a very critical one for the Panama Government. It is the first time in the nation's history that a general and indefinite strike has been called. It is also the first time that private enterprise and labor have joined forces for a common cause against the government.

Despite Labor Minister Jorge F. Lee's sanction of the strike is illegal, almost all business is stopped, including Cristobal and Balboa ports. The massive, blanket strike constitutes the popular rejection of proposed reforms to labor, industrial protection and agropecuary [as published] laws, which Panama must present to World Bank officials by March 30, as a pre-requisite forthe re-financing of Panama's highest foreign debt ever, $3.6 billion.

The strike is seriously affecting the country's economy, according to Panama's Revenue Director, Antonio Richa. And pro-government Legislator Regoberto Paredes, said that the current situation is dangerous for Delvalle's administration. The current president is the fifth in three years to rule his small country, with a population of a little more than 2 million.

Ministers Hold News Conference

PA132226 Panama City CRITICA in Spanish 13 Mar 86 pp 1, 47

[Article by Franklin Castrellon M.]

[Text] Three ministers of state yesterday said that the package of bills amending the Labor Code and creating incentives for industry and agricultural production is part of a government program aimed at activating the country's economic and social development.

At a news conference held at the studios of Channel 2 last night, Labor and Social Welfare Minister Jorge F. Lee, Agricultural Development Minister Bruno Garisto, and Commerce and Industries Minister Jose B. Cardenas explained in detail the bills presented to the Assembly which deal with their respective areas.

Lee, whose amendments to eight articles of the Labor Code have prompted the reaction of the unions, said that the proposed amendments are basically aimed at complying with the state obligation to enforce one of this code, which is protecting the workers and guaranteeing jobs for them.

According to Lee, the amendments promoted by his office as well as the industrial and agricultural incentives are aimed at protecting current jobs and opening many more to meet the demands of the 84,000 unemployed people and the 70,000 underemployed individuals the country has. He said that unemployment is mainly affecting young people and women and noted that approximately 25,000 new youths join the large mass of job seekers every year. Defending the proposed amendments to the code, he said that they do not affect the workers' gains, the labor structure, the system for collective bargaining, or the workers protected by collective agreements. "On the contrary," he added, "they create more jobs to meet the demands of the unemployed and the underemployed and improve the income of workers who are not union members."

He explained that the amendments attack five areas, giving emphasis to an increase in productivity to make companies more productive and improve the competitive capacity of their products, thus allowing consumers to have access to better quality products at a lower cost. In addition, he stressed, they allow the businessman to create productivity rewards or bonuses, advantages that can only be obtained by the workers through collective agreements. Regarding this, he explained that due to the risk run in having rewards or bonuses considered part of the salary, based on legal precedents, managers refuse to include these incentives unless they are clearly spelled out in collective agreements. He said that another amendement presented is that which "encourages employment in small businesses, in the agricultural sector, and in enterprises engaged in export." These enterprises are given conditions so that they can consolidate their positions and expand, he added.

Among the amendments introduced to give incentives to this type of enterprise, he mentioned a 25-percent surcharge to be paid to workers for extra hours and the compulsory nature of having to work extra hours when the employer requests it. In the case of small businesses, the amendments propose the substitution of preventive attachment for the insuring of goods during labor disputes.

Many small businesses have been forced to close when they cannot resist the financial blow of labor disputes followed by attachments. In the proposed system, Lee explained, "we are seeking to preserve the source of employment and to give the necessary conditions to consolidate it and make it expand." Asked about an alleged disadvantage for workers not to have the option of choosing whether they want to work extra hours or not, Lee maintained that it was not a disadvantage because it opened the possibility for additional income and allows businesses to create new shifts of work, thus opening new sources of employment. Asked about the apparent widespread discontent among unions, Lee said that that opposition basically stems from an emotional attitude that leads union leaders to oppose any change to the code.

Finally, he noted that the bill he promotes improved labor justice, allowing the rulings of Conciliation Boards to be reviewed by Labor Courts. In addition, he said that the bill does not affect the payment of the 13th month.

For his part, the minister of agricultural development explained that the project of incentives "favoring production and agricultural exports" will permit a boost in agricultural and cattle development and will improve the working conditions of agricultural workers. According to Garisto, the bill is aimed at improving credit facilities, increasing the use of agricultural and cattle technology, and giving guidance to producers, especially the small- and medium-sized ones. "If this bill becomes law, it will benefit producers and consumers," because the latter will get agricultural products at a lower price.

In turn, Minister Cardenas said that the industry that is basically oriented to exporting will experience significant development if the bill for industrial incentives is approved. He said that the old mechanisms of quotas to protect local industry are no longer applicable because, in certain cases, they only served to increase production costs, which were absorbed by consumers. He said that if Panama does not increase its industrial production, as well as its tourism and services, Panamanian problems will get worse and the refinancing of the debt will become more complicated.

Responding to a question, Cardenas said that the approval of the package of bills presented by him, Lee, and Garisto is not a condition for Panama to gain access to money in the international financial market.

PDC Opposes Bills

PA132257 Panama City LA PRENSA in Spanish 13 Mar 86 p 3

[Text] "Instead of reactivating our economy and promoting national development, these bills [reforming the industrial and agricultural laws and the labor code] worsen the overall crisis in our country. They have not been the object of consultations. They do not respond to the national realities. They subordinate everything to fiscal objectives and they do not establish any new discipline on the part of the public administration to control corruption and contraband and regarding the level of taxation and public service rates."

The preceding statement was issued by the Christian Democratic Party, PDC, in a communique signed by PDC President Ricardo Arias Calderon. It added that the approval of the bills would worsen the living conditions of all Panamanians, especially the poorest families. The PDC expressed its solidarity with workers, industrialists, and farmers in their justified protests against the bills that the official sector is again trying to impose as it tried under the Ardito Barletta administration.

The communique added that the PDC announced that its legislators will oppose the approval of those bills. It also indicated that it is urgent that solutions responding to the basic needs of all national sectors be found and it reaffirmed the PDC's conviction that these solutions can only be found through the path of democratization.

The communique stated that the PDC stresses, "just as it did in its eighth congress, that the Defense Forces, as a military institution, have a grave responsibility in the situation that the country is experiencing. To peacefully retake the path of democratization, the Defense Forces must become the professional institution that the Constitution stipulates. For this reason, they must be ready to seriously discuss and facilitate the profound change that our people demand for democracy and a better life as soon as possible."

DELVALLE ON ECONOMIC PROPOSALS, DOCTORS STRIKE

PA130343 Panama City Domestic Service in Spanish 2233 GMT 12 Mar 86

[Speech by President Eric Arturo Delvalle at the opening of Expocomer 86 at the Atlapa Convention Center on 12 March -- recorded]

[Excerpt] The political situation experienced by the country because of various circumstances calls for a statement from the national government in the hopes of contributing to the reestablishment of the social peace to which all the citizens of our country have a right.

Allow me to make use of this forum to discuss various current developments.

On 16 October 1985 I expressed my utmost respect for all of the Panamanian working class' interests and aspirations to Comato, telling its members that they could be absolutely confident that I was -- with regard to the Labor Code reform -- willing to start at square one. At that time my administration threw out a bill to reform 24 articles and I have submitted to the Legislative Assembly a bill with eight adjustments, the main object of which is to guarantee that more Panamanians will find productive occupations and sources of income for their families.

Some of the adjustments currently under discussion are part of the Labor Code, but they benefit exclusively those who obtained benefits through collective bargaining agreements. It is just that all of the country's workers receive those benefits.

Gentlemen of the industrial sector: As a member of this group and a descendant of one of the pioneers of Panamanian industry who began operating 66 years ago, It is unlikely that I, who today submitted a bill for the consideration of the Legislative Assembly, would threaten the investments of distinguished friends and prompt the closing of companies that offer employment to more than 60,000 heads of household. No, gentlemen, I would never do that.

My bill is designed to accomplish the opposite. It is designed to adequately protect all of the existing national industries. It is designed to protect each of those 60,000 jobs and to allow us to make better use of our existing industrial capacity to export your products, as the treasury absorbs part of those costs and they are made more competitive.

It is really unfortunate to observe that those who assumed the responsibility of helping draft this law are now opposing it because they lack the courage to explain and defend it before the membership. [applause]

With regard to the agricultural sector, we have submitted for the consideration of the honorable legislators a bill to promote and provide incentives for that sector in order to increase our agricultural production. We are also most willing to accept all recommendations that are considered fruitful in strengthening and improving the goals that are pursued.

I also want to address another problem which is producing much tension in the community. A large number of physicians and associations of medical professionals are staging a strike that hurts the humble, because medical attention continues to be offered without interruption at the luxury hospitals. I do not intend nor do I wish to confront the doctors or any of my fellow countrymen.

However, the demands of a few cannot prevail over the needs of many. My highest responsibility as head of state is to ensure that activities be carried out with the harmony that characterizes civilized society. Some have suggested that as a disciplinary measure I retain the payments for services not rendered to the public by those professionals who use that time to demand additional compensation. I have rejected that option. I prefer to establish a payment box in a public place to salvage what is owed for those who demand it in the eyes of God and with the approval of those people to whom they have denied their services.

Thank you very much. [applause]

LEGISLATOR OPPOSES U.S. 'MEDDLING' IN COUNTRY

PA131916 Panama City EL SIGLO in Spanish 13 Mar 86 pp 1, 23

[Article by Elsa Caballero de Pitti]

[Text] In the wake of a report by an international news agency published in the local press in which it is mentioned the "the U.S. Government is concerned with the problems that Panama is facing," honorable Legislator Pedro Brin Martinez vigorously attacked this report saying that it is merely the result of another U.S. intervention in the domestic affairs of our nation.

The legislator also opposed remarks by former U.S. Ambassador Ambler Moss, who according to the news agency said that although there is no immediate crisis in our country, if there is one "it will be very harmful to U.S. interests."

"This is not the first time that this type of information has appeared, on other occasions when the country has had problems, North Americans and bad Panamanians take advantage of the occasion to show a distorted image of our country's situation, openly meddling in our domestic affairs, Brin Martinez said.

The legislator told this reporter that, in his position as president of the Foreign Relations Committee, he will propose the creation of a committee to visit the United States to explain to the U.S. Comgress, once and for all, the truth about Panama's political situation.

In conclusion, Brin Martinez emphasized that the agreements approved by the UN General Assembly were aimed at reducing international tensions and strengthening peace and friendship among the nations and the agreements establishing nonintervention of a state in the domestic or external affairs of another must be respected."

EL SALVADOR

DUARTE MAY GRANT 'SAFE-CONDUCT' TO FMLN LEADERS

PA140503 Paris AFP in Spanish 0328 GMT 14 Mar 86

[Text] San Salvador, 13 Mar (AFP) -- Salvadoran President Jose Napoleon Duarte today seemed willing to allow an FMLN delegation to enter the country to arrange a resumption of talks between his government and the guerrillas.

Speaking to a group of businessmen, Duarte said that if the rebel emissaries request "safe-conduct" they will be allowed to enter El Salvador, just as they did in 1984 for the La Palma and Ayagualo meetings.

Last week Duarte said that the rebel leaders would only be able to enter El Salvador "to pay for their crimes."

"I am willing to make all efforts in the peace struggle, but those who try to use force will find a strong government," Duarte stressed.

In addition, Duarte reiterated today that talks between his government and the FMLN are contingent on the beginning of talks between the Sandinist government and the Nicaraguan rebels.

"If this proposal is accepted, then we will find a path for peace in El Salvador and Nicaragua, said Duarte, adding that "everyone knows there cannot be peace in El Salvador if Nicaragua continues to be a sanctuary for the Salvadoran guerrillas."

FMLN-FDR POSTPONES TRIP TO SAN SALVADOR

PA140441 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Mar 86

[Communique issued by the FMLN-FDR; date and place not given]

[Text] 1. On 7 March we reported that an FDR-FMLN delegation would meet with Msgr Rivera y Damas this week to discuss the operational aspects that would lead to the third dialogue meeting between the government and our fronts.

2. The archbishop has informed us that because of his pastoral duties he will not be in San Salvador this week, and he has asked us to postpone our arrival. Therefore, our delegation will meet with the mediator next week. This will be done as a specific contribution toward the aspirations for peace of the Salvadoran people.

3. Jose Napoleon Duarte's statements to Radio Cadena YSKL made yesterday to the effect that we should turn ourselves over to the police are so absurd that they could hardly be considered as the government's official position because it is incomprehensible that one day the government says that it is willing to renew the dialogue with the FMLN-FDR, and a few days later it threatens the FMLN-FDR representatives with imprisonment.

The serious deterioration of Duarte's government could be the cause for his desperate and contradictory attitude. Despite this, the FMLN-FDR hope that Mr Duarte will officially and seriously state his position with respect to the arrival of our representatives in San Salvador to meet with Msgr Rivera y Damas.

VENCEREMOS COMMENTS ON PHILIP HABIB'S ARRIVAL

PA131856 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Mar 86

[Text] The diplomat Iowa has left the country and the battleship Philip Habib has arrived. Reagan's new firefighter for Central America has arrived to try to quench the fires of liberty in the region. The U.S.S. Philip Habib, Reagan envoy, arrived in El Salvador. He arrives at a dark moment for the entire Yankee policy in Central America and for his puppet Napoleon Duarte.

He finds a worn out Duarte who was unmasked for covering up a North American project to cover up a counterinsurgent plan the genocidal nature of which has already been universally recognized by the OAS and UN human rights commissions and other governments. In international forums, they point to the murders, tortures, and bombings of the civilian population as a permenent component of that plan that Duarte tried to mask as a democracy.

Philip Habib finds an isolated and solitary Duarte with an Army that is incapable of stopping any action that our vanguard decides to carry out. This man is coming to find a country submerged in mobilization, organization, in a sea of guerrillas, and involved in constant activity and expansion rooted in the feeling and aspirations of our people. That is, Philip Habib comes to confirm that the counterinsurgent plan in El Salvador is doomed to failure, that it has no possibility of succeeding.

U.S. plans in Central America are in such a disastrous situation that they are forced to bring in a lifesaving [en pataditas de ahogado] specialist; a specialist in giving the finishing touches at a moment when Reagan has had to retreat.

We recall that this man Philip Habib was sent to the Middle East when Reagan was retreating in defeat from Lebanon carrying 240 dead marines produced by the action of two Lebanese patriots. This new Reagan envoy, Philip Habib, who is an expert in mending difficult situations, had to leave for the Philippines a few days ago to prepare the bed that former dictator Ferdinand Marcos would sleep on in his new residence in the U.S. territory of Hawaii.

Habib now comes to El Salvador to bring new ideas and proposals to Duarte, which Duarte will present as his own amid that constant flow of maneuvers, lies, more millions of dollars, more U.S. advisers, ships off Central American coasts, and pressure on area governments. In sum, it is a long list of useless means that Reagan uses in his desperate attempt to stop the struggle of our peoples.

Those are useless Reagan attempts; he is involved in a desperate race in a world in which the correlation of popular forces is telling the imperialists that puppets like Duarte and Marcos are increasingly more difficult to find in the face of the advance of the peoples in this extraordinary era of revolution.

GUATEMALA

ARMY BLAMES FAR FOR SALVADORAN'S DEATH

PA130447 Guatemala City Radio-Television Guatemala 0400 GMT 11 Mar 86

[Text] The Guatemalan Army reported today that the responsibility for the death of Salvadoran businessman (Ricardo Buez Rodriguez) in Peten last Saturday lies with a group of guerrillas who are members of the Rebel Armed Forces [FAR].

The Army press communique reads: A terrorist group belonging to the FAR is responsible for the death of Salvadoran businessman (Ricardo Buez Rodriguez) on Saturday, 8 March, in the morning at El Naranjo airfield, La Libertad municipality, Peten Department.

From investigations carried out at the site of the attack and information from eyewitnesses, it has been established that (Buez Rodriguez), who was flying a Cessna plane with Salvadoran registry YS 180, had been warned of the danger as his plane was taxiing onto the runway. However, after the had gone some 100 meters and as he was trying to climb, the plane was downed by the subversive group. (Buez Rodriguez') companion was unharmed in this attack, which left the plane out of service on the El Naranjo airfield.

Military troops from La Libertad Detachment immediately began a search operation to locate the terrorists. The results will be reported later.

NICARAGUA

ALLEGED CIA AGENT PRESENTED AT PRESS CONFERENCE

PA131841 Managua Domestic Service in Spanish 1504 GMT 13 Mar 86

[Press conference by Commander Lenin Cerna, director of State Security General Directorate, and alleged CIA spy Reynaldo Aguado Montealegre with unidentified questioners at the Interior Ministry in Managua -- live]

[Excerpts] [Cerna] Interior Minister Tomas Borge Martinez, and the General Directorate of State Security called this press conference to report on and present some evidence we have regarding activities and plans of the U.S. Administration [1-minute break in transmission] blackmail, various kinds of pressure, and commitments were used with this purpose.

On this occasion, we present to the national and international public evidence on such activities carried out by the CIA against our country. This involves the cases of Reynaldo Aguado Montealegre, Interior Ministry official with the rank of sublieutenant, who was recruited by the CIA in Miami during a trip he made to the U.S. in October 1985 and Jose Eduardo Trejos Silva and his wife and accomplice Rosalinda Sosa. Jose Eduardo Silva is also an Interior Ministry official with the rank of sublieutenant.

Throughout the investigation carried out by the Nicaraguan State Security, we found similarities in the CIA work to achieve its objectives:

1. They were recruited abroad and received training and work material and methods.

2. They received large sums of money in dollars in payment for their treason and were also guaranteed a monthly salary.

3. They were trained in the search of information on matters related to their work: chiefs and personnel, structures, protection and control measures of documents inside the Interior Ministry.

4. They received resources to carry out espionage and guidance on those activities through personal contacts with officials accredited with diplomatic rank at the U.S. Embassy, namely (Daley Cecil Johnson), attache until late 1985 of the Economic and Commercial Section, (Stephan Buchison), current embassy first secretary, and (Bonnie Bennett), the vice consul.

Also involved in this operation is CIA official (Ben Wickham) who worked until late 1985, until the last trimester. He was the one who personally approached Reynaldo Aguado Montealegre in Miami to recruit him.

5. All detainees confessed and admitted their involvement in espionage activities against the Sandinist People's revolution. Material [medios] supplied by the CIA were seized from them ; we will exhibit them at a later date.

Up to here we have made some observations about these two cases. We will now give you a brief explanation of the case of Trejos Silva. Jose Eduardo Trejos Silva traveled abroad in November 1983 where he was recruited by a CIA official who identified himself as Tom. Trejos Silva returned to the country that same month. (Josefa Morales de Dumas), a U.S. citizen of Nicaraguan origin who was close to Trejos Silva, subsequently gave him instructions to go pick up what was in a hiding place in Managua. These instructions came in a plain mechanical pencil [lapicero] of let us say, special material. The instructions gave the location where he was supposed to pick up something. According to Trejos Silva's statements, this something was a synthetic stone. The CIA frequently uses this means to supply its agents. Inside the stone was money, carbon paper [15-second break in transmission]. On the other occasions, Trejos Silva was supplied in the same way in Managua. On the occasion, it was in the same way as I mentioned. On another occasion, it was in direct contact with U.S. personnel. He was always supplied with resources and money.

In mid-1985, Trejos Silva was detected by the state security. A number of measures were carried out until his arrest was decided. He was arrested on 19 February 1986. During the activities carried out by this agent or by this official recruited by the CIA, he had the cooperation [5-second break in transmission] who participated in and supported the espionage activities of her husband. According to her own statements, she participated in receiving, in listening to the transmissions of the CIA over radio, and in decoding those messages.

Trejos Silva gave to the CIA, among other information, information on the institution to which he belonged, the names of his bosses and companeros, plans against the Nicaraguan Democratic Force [FDN], and courses taken. The CIA also ordered Trejos Silva to look on information on relations of the FSLN and the Salvadoran guerrillas, on FSLN relations with the 19 April Movements [M-19], names of the chiefs of the state security forces, and on measures of security and control of the offices and documents.

As I said, in order to carry out his activities, the CIA supplied him on various occasions with the resources through hideouts in Managua. These include what is known as pads [preceding word in English] or codes for decoding, carbon paper for messages with secret writing, tablets to reveal the secret writing, and money to buy a transistor radio to listen to the transmission of the messages.

He dealt in the country with CIA official (Daley Cecil Johnson), accredited as a diplomat in the U.S. Embassy in the country. As payment for his activities, he was offered residence for himself and his family in the United States. He was given a sum of dollars at the moment of his recruitment and he had a bank account that was opened for that purpose in Miami. At the time of his arrest, it contained or contains $12,000. These are the elements that were found on Trejos Silva. These are the booklets for decoding the messages.

As you can see, well perhaps some of you do not know but others might, due to their experience in the field of reporting, each booklet can be used a certain number of times. He had three of them at the time of his arrest and according to his statements he (?destroyed) others. We found the carbon paper he used for his messages; he used to receive notification in various ways, including deciphered coded messages, and he would answer them using the carbon paper

At the time of his arrest we found a coded message that he had received over a radio broadcast the day before. We found it at a warehouse built especially for his work. As you can see, and will also see in the other case, for this type of activity the CIA supplies tools and work equipment that allows their agents to do their work and protect the equipment supplied.

We are going to present the officer arrested, Reynaldo Aguado Montealegre, at this press conference; we will allow him to tell you about his activities, but before doing this we want to tell you about his activities, but before doing this we want to reiterate the names and biographical information on the CIA agents who, according to our investigations, participated or are involved in these operations. The first is (Daley Johnson), his complete name is (Daley Cecil Johnson), he was born in Oregon, USA on 6 January 1956. He was the deputy chief of the Economic and Trade Department at the U.S. Embassy from 10 February 1984 to 20 December 1985. In other words for 1 year he did other things besides his trade activity because we have no trade activity [with the United States],

(Benjamin B. Wickham), from Cleveland, born in July 1940, he was deputy secretary at the U.S. Embassy in Managua, he entered our country on 31 October 1983 and left on 20 August 1985. In October 1985 (Wickham) met with Reynaldo Aguado Montealegre in Miami, United States. Prior to this he worked in Iran, Prague, and Georgetown, Guyana.

(Bonnie F. Bennett), born in Florida, entered Nicaragua in November 1985. This information is interesting from the point of view of attaining information on people's movements. During the same month she entered the country, Reynaldo Aguado Montealegre returned. Aguado left in October and returned in November. In November, this Mrs (Bennett) came to Nicaragua and acted as third secretary and deputy counsul.

Photographs of these people can be seen on those panels. The last personality is (Stephen David Murchison), born in Oklahoma on 25 January 1943. His present post is first secretary at the U.S. Embassy in Nicaragua. He also worked in South Korea, Peru, and Mexico. He entered Nicaragua on 22 August 1985 replacing (Ben Wickham).

Among the material seized, in the case of Trejos, we want to show this. In the case of Aguado Montealegre, they delivered something to him in this way: This is a pillow; however, this is a special pillow in which the carbon paper was delivered to him. In it, they delivered tablets with commercial labels -- this is commonly used in the United States to develop secret written documents [words indistinct] to him.

They received these things and instructions on how to use these instruments including the secret written documents, the tablets, carbon paper; and most importantly -- as you can see -- these came inside a mechanical pencil [en una ceba de lapicero]; in a graphite pencil; in several of them. They contained instructions on the main work instrument supplied to them.

You see a [word indistinct] but the difference is that it contains a photographic lens. However, they also delivered six different (?inkwells); that is six more, but with the difference of the added lens.

This permitted him to accustom his coworkers to them; he even gave away several cigars. He kept them at his desk to -- according to his own statement that was clearly stated -- familiarize his coworkers with the main instrument given to him.

In addition, two cameras were given to him. According to our specialists, are capable of taking 50 pcitures each. Perhaps we are not right, because these things are very advanced; (?maybe they have a capacity for 100).

Therefore, they came up with ways to deliver this [changes thought]; notice that there is a reflection. I am trying to open it but I cannot, because it opens toward the opposite side. In this part, he could hide the camera, the instructions, and even the paper and then cover it with the lid. He kept this desk in his house with a matching wicker chair.

These gifts or things are interesting, because we know that they use them in these forms, or other forms not only to hide these things, but for other things, but this is not the right time to talk about that.

Therefore, these were the working instruments that we seized. We will now preesent Reynaldo Aguado.

We are going to present Reynaldo Aguado Montealegre so that he can talk to you about his activities. Afterward he will answer your questions.

[Aguado] My name is Reynaldo Aguado Montealegre. I am 25 years old and a founding officer of the Interior Ministry. My parents are Francisco Jose Aguado Berry and Amileth Montealegre de Aguado. In May 1985, my brother told me via telephone that my mother had been diagnosed as having cancer and that they had given her approximately 15 to 30 days to live.

Two days after my arrival in Miami, my mother was visited by a man whom she introduced to me as William Perez. He looked Latin. I sat down to talk with them. My mother got up to get us some refreshment. He asked me about the situation in Nicaragua. He told me he knew that I was in the Army and that he would like to talk to me. I told him I was surprised by his questions. My mother returned at that moment. As Perez rose to leave, he told me: Reynaldo, the truth is that you were brought to the United States by the U.S. Government; the story that your mother has cancer and is to undergo surgery is absolutely false. This was used to bring you to the United States. Our objective was to get you here. I am a representative of the U.S. Government. As I have already told you, my name is William Perez. We want to talk to you. We are not the only ones that want to talk to you; members of the counterrevolution, the FDN, also wish to talk to you.

I told him that I was not willing to talk to them and that I was going to ask the Mexican Consulate for help immediately because I understood we did not have a consulate in the United States. He told me that this would affect my mother and brothers since they were very interested in having me in Miami. He also told me that not only did my family want me in Miami, but that the FDN had also pressured my family and that my mother would tell me about this. He said that they were sure that later I would think the situation over and that they would call me soon.

He left and I talked to my mother. I asked her what was happening and whether she realized the problem I was getting into. She told me that in April 1985 she went to see a Nicaraguan doctor named Gaston Lacayo. She said she was sick. Talking to the doctor she told him that she was worried because she had a Sandinist son in Nicaragua.

She said that she was living in constant fear because he could be killed in the war. She said that she had not seen me and that she wanted to see me. She wanted me to come to Miami. He [Dr Lacayo] told her not to worry and that I could come to Miami. He told her not to worry because that problem could be resolved; he asked her to be patient. That is all he told her at that time.

About a month later this man, the one called William Perez, went to my mother's home, told her that he was a friend of Dr Gaston Lacayo, and that he was there to discuss with her the possibility of my coming to Miami. She was thrilled and asked him to sit down and talk. He told her that he was not the only one interested in her son coming to Miami, but also other Nicaraguans and members of the counterrevolution. He told her she would know who they were later.

She told me that this bothered her and that he [Perez] told her that he was a representative of the U.S. Government. He also told her that others were interested in this and that they could begin working on my trip to Miami immediately.

Two days after Perez' visit, my mother left her house at approximately 1700. She did not return home to sleep, and we became worried. However, I did notice that my brothers were not as worried as I was. At 0900 the next day, the phone rang and I answered. The caller asked for Reynaldo Aguado. I asked who was calling; the caller said my mother was calling. I told the caller that I was Reynaldo Aguado. I was told that my mother was with them, that she was fine, and that she would be arriving in 45 minutes. The caller said they needed to talk to me the next day and that my mother would give me the address. I told the caller I did not know the area; I was told I could bring my brother Nicolas because he knew Miami very well. When my mother arrived 45 minutes later she gave me the address and said that my brother would take me. She told me not to worry, that nothing had happened to her, and that I should talk to them.

At 1030 the following day we went to a Holiday Inn. William Perez was sitting in the coffee shop. We sat and had a cup of coffee. He told me he had a room and that we would go there to talk. He told me not to worry and that he, my brother, and I would be the only ones there. We went up to the room after we finished our coffee. My brother and I checked to make sure we were alone. Perez then told me that the first think he wanted to do was show me who he was. He took out a black identification card with an embossed seal. The card was issued to William Perez, U.S. State Department official. Perez said that if I wanted more information he could tell me that he was a CIA official. Then, he told me that he was very serious and that they could offer me security if I decide to cooperate with them.

I also want to tell you that we have decided you belong with us more than with the FDN and that you will cooperate with us. We request your cooperation in Nicaragua, not here in Miami. The FDN has already been informed of this. The pressure on your relatives will cease.

During the next interviews -- 10 or 11 times for about 6 hours -- I was connected to a polygraph. The device was connected to the tips of my fingers on both hands and also to my chest -- meaning my heart -- in the form of a chain. The other CIA officials, the technicians and specialists on the Nicaraguan situation, presented me the requirements that I was to fulfill here in Nicaragua and the contacts that I would make. I was required to gather information on war plans by the Interior Ministry, plans against the FDN and not those of ARDE in which they were not interested, the Interior Ministry's regional plans, and the names of the most important members of the State Security Directorate.

Later, one of them introduced himself.

The two of them were CIA technicians and specialists on Nicaragua; they looked Americans. One of them told me his name; it was Kent. I cannot remember the name of the other. The places and contacts that I will mention later were described to me. I was taught to use a secret camera and told it was a new device and that I was to be very careful with it. The camera looked like a common lighter, one of those plastic ones, and was black. I was told the camera cost $25,000, that I was to use it to photograph secret Interior Ministry documents important to the CIA, and that they would describe them to me. They also explained to me the use of carbon paper for the secret messages that I was to mail to Julio Carreno Lainez, Box Lopez de Hoyo 68, 28002, Madrid, Spain. I was told I should be very careful in using these secret messages because they could be discovered if I made one of the mistakes they explained to me when I was taught to use the messages.

Later, I was instructed on my contacts with the CIA official in charge of me. First, I was to be coached by a male CIA official and then by a female official. These contacts would occur at two locations. One of them at Puentes to the right of the street leading from the Cesar Augusto Silva [convention center] to the Rigoberto Lopez Perez school. On the first street to the left, there is a bridge before reaching the university area. That is where my contact with the CIA official would take place. The other contact was to occur at the location named Road. To get to this location, you start at the Faustino Ruiz complex and turn at the traffic light for the Santo Domingo turnoff. Then, I was to turn left on the first street and walk 100 meters to a telephone booth, and then turn left again. My contact was to be at a red monument to a fallen companero. These contacts were to occur at 2000 the third Thursday of each month. I was not to arrive later than 2 minutes after 2000. Two emergency contacts were also set up.

The final interview occurred 1 day prior to my return to Nicaragua. At that time I was given an envelope for my mother containing $25,000. I had to sign a paper with the alias I had been assigned by the CIA -- Ramiro Ramirez. I was told they would deliver $5,500 to my mother monthly. They also told me not to worry any more and that I would realize through my contact and my relatives that their situation had been solved, and that they would not have too many problems.

I arrived in Nicaragua on 10 November. I made the established contacts on the third Thursday, as agreed. During this meeting, I was given two secret cameras and the carbon paper for secret messages that was to be used only for very special reports, as they said. I was given a cushion with a secret compartment to keep the carbon paper. I was given a wicker ashtray to keep the secret cameras. They also gave a memorandum with instruction for the handling of the secret messages. This took place until the day I was captured by State Security companeros.

[Moderator] Dear reporter companeros, in the next few days we will hold a press conference with the individual to whom you have just listened to. You will be able to ask the necessary questions. Now we will begin the time alloted for questions and answers addressed to Commander Lenin Cerna. Let's put the questions in order. There are several previous requests. Let's start with Daniel [not further identified].

[Question indistinct]

[Cerna] We are in the process of completing the procedures related to detainee Reinaldo Aguado. Just as with the other case, this one must be tried by our military authorities as this befits the detained men's military status.

Regarding the diplomatic officials, our government's Foreign Ministry will take the steps it deems proper.

[Question indistinct]

[Cerna] Well, undoubtedly the CIA thought Aguado was in a good position, and he certainly is in a good position. In the same manner, we are personally convinced that this institution, which is known for its manipulation, for its handling of men, had other plans for Aguado [words indistinct] have been used to misinform and discredit the revolution simply by using these kinds of people. We do no yet know exactly what their intentions are, but since we do know how they operate, we can conclude that these government officials were recruited in the same manner as these people, and that they were also included in future CIA plans against the revolution. It is important to mention here how on many occasions they have used individuals who had to leave the country for various reasons in their misinformation campaign, as was the case of [name indistinct] and [name indistinct]. [Passage indistinct] a man who has been working in the Interior Ministry for so long is a man who, manipulated by the powerful publicity means they have, can cause great harm to the revolution. For this reason, we cannot believe that they only wanted to obtain information.

[Question] What specifically is Aguado Montealegre's position in the Interior Ministry?

[Cerna] He is an administrative official in the Interior Ministry.

[Question] What state information did he pass on to the CIA? [words indistinct]

[Cerna] Reynaldo Aguado left the country in October 1985 and returned in November 1985. His first contact was made in January 1986. We found out that he was an agent in late January 1986. [passage indistinct]

[Question] How common or how special is this case? How many similar cases do you think have occurred in the past? How broad is the CIA's presence in Nicaragua, especially at the U.S. Embassy? Can you expand on the contacts between Baldison and the CIA prior to his departure from the country?

[Cerna] What we can tell you is that we are aware of the recruiting activities and the intensity of this activity by the CIA against state officials. We really do not have that many cases; however, we cannot reject the possibility that Baldison did have previous contacts with the CIA. We cannot reject this possibility and that is why we have a system aimed at preventing such situations because we know how they are being used. Therefore, this is what we can tell you. We know how strong the activity is, aside from those cases which we have mentioned in the past, and we are on the alert for them.

Note Sent to U.S. Embassy

PA140003 Panama City ACAN in Spanish 2342 GMT 13 Mar 86

[All names as received]

[Text] Managua, 12 Mar [date as received] (ACAN-EFE) -- The Nicaraguan Foreign Ministry has sent an informative note to the United States about the alleged participation of U.S. diplomats in espionage operation operations.

A Nicaraguan Foreign Ministry spokesman released to press today the informative note sent to the embassy prior to the report today by Lenin Cerna, chief of security.

The note does not demand the expulsion of the four U.S. Embassy diplomats who reportedly recruited two former Sandinist military men to transfer confidential information from the security agencies.

The Foreign Ministry communique only reports on the embassy officials' activities.

The chief of the security office has accused two U.S. officials, First Secretary Stephan David Murchinson and Deputy Consul Bonnie Sue Bennet, of recruiting Sandinist soldiers to spy on that government.

Murchinson and Sue Bennett currently hold diplomatic office and are in Nicaragua. Meanwhile, the other two diplomats accused of being "agents of the Central Intelligence Agency" are Second Commercial Secretary Brayle Cecil Johnson, and Second Secretary Benjamin Wickham.

A spokesman for the U.S. diplomatic mission in Managua refused to comment on the Sandinist charge and limited himself to saying that "as a rule, the embassy does not discuss charges made against its diplomats."

TINOCO REMARKS ON SIGNING CONTADORA DOCUMENT

PA130228 Hamburg DPA in Spanish 0124 GMT 13 Mar 86

[Text] San Jose, 12 Mar (DPA) -- The Nicaragua deputy foreign minister, Victor Hugo Tinoco, has declared that "Nicaragua will announce to the world that it is willing to sign the Contadora Group's document on pacification and cooperation in Central America if compliance with the eight points of the Caraballeda declaration is guaranteed."

Tinoco said that "once those eight points are complied with, we will have no objection to signing the pacification document, but not before, as it would be suicidial for Nicaragua."

Tinoco, who heads the Nicaraguan delegation to a meeting with a Costa Rican delegation and the four Contadora Group deputy foreign ministers, added that "my country seeks peace. It wants peace, but for that it is necessary for the United States to comply with the Caraballeda declaration." Tinoco declared that "there will be no signing until true compliance with the eight points of the Caraballeda declaration is assured, as they express the genuine spirit that inspires the Contadora Group."

FMLN DENIES REPORTS ON CEASE-FIRE PROPOSAL

PA120420 Managua Domestic Service in Spanish 0310 GMT 12 Mar 86

[Text] San Salvador -- The Salvadoran guerrillas denied reports today on an alleged proposal for a cease-fire that would last indefinitely, supposedly presented by the guerrilla leaders to the government of Jose Napoleon Duarte as the first step to put an end to the civil war.

FMLN spokesmen and those of the guerrillas' political committee added that the date for the arrival in El Salvador of a special commission which is to propose to the government the resumption of the peace talks begun in 1984 is still uncertain.

PCD APPROVES PARTICIPATION IN OPEN MEETINGS

PA112242 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Mar 86

[Excerpts] In a heated and bitter meeting, the plenum of the Democratic Conservative Party [PCD] has voted to participate in the open town meetings [cabildos abiertos], but has conditioned its participation on the inclusion of 13 different topics in Nicaragua's constitution.

The invocation to God in the preamble of the constitution, the apolitical status of the Army, and the right of parliament to approve the national budget are 3 of the 13 points raised by the PCD as conditions to participate in the open town meetings.

[Begin recording] [First unidentified speaker] If we attend the open town meetings -- and I wish to stress this -- we will deprive the PCD of the lever to force the FSLN to enter into negotiations on the 13 points for democratization of the constitution.

[Second unidentified speaker, in progress] ...that those gentlemen will assume on television...

[First speaker, interrupting] Yes. As we said, they are going to present us as little fish moving our lips, and then they will say whatever they wish. This is the way the Sandinist television system operates. Therefore, it is not true that we will be able to transmit our thoughts to the people, either. [words indistinct] [end recording]

This position was rejected by conservative Gustavo Mendoza:

[Begin recording] This party is under the obligation to fulfill [its duty] to this people and this constitution must be democratic and eminently Nicaraguan, and not from the communist countries. [end recording]

PCD President Rafael Cordova Rivas noted the following:

[Begin recording] This matter of resigning is a very comfortable position. It means going home, reading LA PRENSA in the evening [words indistinct] reading BARRICADA in the morning and nonchalantly filling out one's chest with political opposition. No, political opposition is expressed in those places, in public places, with the masses pursuing you, with the commander who does not understand how things are, [words indistinct], or when overall national plans are made.

Yes, up to a certain extent, I [changes thought] the last words [words indistinct]. It is this people who must make the decision whether or not they (?love). [Words indistinct] Well, it is up to you if you leave it like that. [end recording]

Finally, the PCD plenum decided by 19 yes and 3 no votes to participate in the open meetings to discuss the 7 [as heard] points they seek.

CASTRO SEEN OFF IN MOSCOW BY SHEVARDNADZE

FL131440 Havana Tele-Rebelde Network in Spanish 1202 GMT 13 Mar 86

[Text] Moscow -- When they left the Soviet capital on their return trip to Cuba, Fidel and the persons accompanying him were seen off at Moscow airport by Eduard Shevardnadze, member of the CPSU Politburo and Soviet minister of foreign affairs. Fidel and the Cuban delegation were also seen off at the airport by Boris Yeltsin, candidate member of the Politburo and first secretary of the Moscow party committee, and by various members of the CPSU Central Committee and other Soviet leaders.

Returns Home

FL131340 Havana Tele-Rebelde Network in Spanish 1202 GMT 13 Mar 86

[Text] Commander in Chief Fidel Castro Ruz arrived in Cuba at 0240 this morning after visiting the USSR and the DPRK. Army General Raul Castro Ruz gave Fidel a strong hug at the foot of the ramp of the plane that brought the chief of the revolution back to Cuba.

Other members and alternate members of the Politburo and Secretariat were also present, as were Soviet Ambassador to Cuba Aleksandr Kapto and the military attache of the DPRK Embassy.

Jorge Risquet Valdes and Senen Casas Regueiro, Politburo member and alternate member, respectively, and other members of the Cuban delegation returned to Cuba together with the commander in chief.

Minutes after his arrival, the chief of the revolution posed for photographs with the crew of the airplane that brought him back to Cuba.

RAFAEL RODRIGUEZ DEPARTS MOSCOW FOR SWEDEN

FL140042 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Mar 86

[Text] Shortly before leaving for Sweden, Carlos Rafael Rodriguez met in Moscow with Ivan Arkhipov, first deputy chairman of the Presidium of the USSR Council of Ministers. during the meeting, the topics discussed included economic and trade relations between Cuba and the Soviet Union for the 5-year period 1986-1990.

Funeral Delegation Named

FL132242 Havana Radio Reloj Network in Spanish 1902 GMT 13 Mar 86

[Text] The Cuban delegation that will attend the funeral service for Swedish Prime Minister Olof Palme left today for Stockholm. The delegation is headed by Carlos Rafael Rodriguez, vice president of the Council of State. Also included in the delegation is Lionel Soto, member of the Secretariat of the Central Committee. Cuban Ambassador to Sweden Dennys Guzman will meet the delegation in Stockholm.

At Sheremetyevo Airport in Moscow, the Cuban delegation that will attend Palme's funeral was accompanied to the airport by Yuriy Marchuk, deputy chairman of the Presidium of the USSR Council of Ministers, and other high officials. Also present at the airport and representing the Swedish Embassy in Moscow were Christer (Brinhau), first secretary of the Swedish Embassy, and Luis Felipe Vazquez, Cuban ambassador to the USSR.

Arrives in Stockholm

FL140032 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Mar 86

[Text] Politburo member Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, arrived in Stockholm today. Rafael Rodriguez is heading the official Cuban delegation that will attend the funeral service for Swedish Prime Minister Olof Palme. The Cuban vice president and Lionel Soto, secretary of the Central Committee and of the delegation, were met at the Stockholm airport by Culture Minister Bengt Goransson. The funeral service will be held 15 March.

U.S. RESPONSE TO GORBACHEV TEST BAN PROPOSAL NOTED

FL140202 Havana Television Service in Spanish 0100 GMT 14 Mar 86

[Text] White House spokesman Larry Speakes has said in reference [to Mikhail Gorbachev's proposal for a moratorium on nuclear testing]: Our position has not changed. Nuclear weapons will continue to be an important element of dissuasion in the foreseeable future. It will be necessary for us and our allies to conduct tests in the future.

This is how the Reagan administration responds to the USSR's peace proposal. The Yankees refuse to reduce their arsenals and war-like testing because they are intent on destroying life on our planet.

FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 051 17 March 1986

INTER-AMERICAN AFFAIRS

- Area, Contadora Ministers Meet in Costa Rica [San Jose Radio Impacto] A 1
  - Costa Rican Minister's Statement [San Jose Radio Impacto] A 1
  - Gutierrez, Arias on Regional Meeting [San Jose Radio Reloj] A 2
- C.A. Presidents Support Duarte Proposal [ACAN] A 3
- Contadora Meeting Postponed Until Mid-April [EFE] A 4

BRAZIL

- Government Criticizes George Shultz' Remarks D 1
  - Incident Termed 'Closed' D 1
- Government Supports U.S. Proposal Against Chile D 1
- Crew of Panamanian Vessel Carrying Arms Arrested D 2
- February Trade Surplus Reaches $759 Million D 2
- Briefs: Cuiaba Court Sentences Policemen; Bank's Foreign Offices Closed; Credit Agreement With Colombia D 2

CHILE

- Further Reaction on UN Human Rights Debate E 1
  - Del Valle Comments E 1
  - Further Del Valle Remarks E 1
  - PDC's Zaldivar Comments [ANALISIS 11-17 Mar] E 2
  - Socialists Criticize U.S. Stand E 3
- National Union Party Wants Open Elections in '89 E 3
- Student Demonstration Broken Up; 7 Arrested E 4
- Disturbances at Magallanes, Catholic Universities E 4

COLOMBIA

- Police Issue Bulletin on Alvaro Fayad Case F 1
  - M-19 Said To Confirm Death F 1
  - Threatens Betancur, Others F 1
- M-19 Raps Elections, Proposes People's Assembly F 2

ECUADOR

- Troops Quell Gen Vargas' 2d Rebellion G 1
  - Acting Defense Minister Named G 1
  - Vargas Given Ultimatum G 1
  - Troops Surround Rebel Garrison G 1
  - Tanks Enter Air Base G 2
  - 'Undetermined' Casualties G 2
  - Spokesman Discusses Attack [Madrid] G 2

Government Says 4 Dead, 9 Hurt G 4
Vargas Arrested G 4
Bucaram Comments G 5
Country 'Returns to Normal' G 6
Judge Orders 'Embargo' of Eastern Airlines Plane G 6

PARAGUAY

Police Break Up PLRA Rally; 12 Detained H 1
Peasant Organization Reports Police Repression H 1

PERU

Wagner Discusses Garcia's Argentine Agenda J 1
Government Expels Presumed M-19 Members J 2
Briefs: Sardine Fishing Suspended J 2

VENEZUELA

Lusinchi Speaks at Congress on Economic Measures L 1

PANAMA

Reportage on Labor Code Change, Strike, Violence N 1
Assembly Approves Amendments N 1
Devalle on Bills, Conato Talks N 1
One Killed in Disturbance [LA PRENSA 15 Mar] N 2
Explosions in Capital N 2
Nestle Workers End Strike [LA REPUBLICA 13 Mar] N 3
PAPO Communique [EXTRA 14 Mar] N 3
Riot Squads Enter Companies [EXTRA 14 Mar] N 4
Chamber of Commerce Document [LA ESTRELLA DE PANAMA 14 Mar] N 4
Mauro Zuniga Leads Attacks [CRITICA 15 Mar] N 5
Ministers Discuss Code N 5
PRT Communique Rejects Delvalle Economic Plan [LA PRENSA 13 Mar] N 7
PDC Leader on Country's Needs at Party Congress [LA PRENSA 10 Mar] N 8
Editorial Commends New Ambassador to U.S. [MATUTINO 14 Mar] N 10

CENTRAL AMERICA

COSTA RICA

Minister Explains Soviet Note on Extradition P 1

EL SALVADOR

Costa Rica's Arias Urges Cooperation for Peace P 1
D'Aubuisson Presents View of Economic Measures P 2
Ruben Zamora Questions Government's Stance [EL MUNDO 12 Mar] P 8
FMLN-FDR Willing To Discuss Holy Week Truce P 8
FMLN-FDR Denies Submitting New Peace Proposal [Venceremos] P 9

GUATEMALA

Cerezo Comments on Stagnation in Investments P 10

HONDURAS

Azcona Denies Signing U.S. Pact on Aid to Contras P 11
Azcona Views Meeting With U.S. Envoy Habib P 12

NICARAGUA

Ortega Says American People Helping Nation P 12
Ortega To Attend Area President's Meeting P 13
    Carpio on Meeting P 13
    Ortega Meets With Carpio P 14
Ortega on Honduran Dialogue, Priests' Remarks [BARRICADA 13 Mar] P 15
President Departs for Olof Palme's Funeral P 16
Ramirez Views Meeting With U.S. House Delegation P 16
U.S. Roving Ambassador Repeats 'Blackmail' of FSLN P 16
Soviet Weapons To Be Sought If Contra Aid Approved P 17
Tinoco Returns From Talks, Views Border Decisions P 17
FDN Reportedly Shoots Down MI-8 Helicopter [ACAN] P 17
ARDE, FDN Political Wings Sign 'Unity Document' [AFP] P 18
ARDE Commanders Say Struggle 'Regressing' [ACAN] P 18
FDN Claims 459 EPS Casualties 1-15 March [ACAN] P 20

CUBA

Ministry Criticizes Order To Reduce USSR Diplomats Q 1
Habib Cited on Talks With Nicaraguan Officials Q 1
U.S. Government Requests Funds for Guantanamo Q 1
Commentary Scores Reagan Third World Policy Q 1
GRANMA Views Duarte, Seaga as Reagan 'Vassals' Q 2
Nicaraguan Mixed Commission Meeting Ends Q 3
Rodriguez Meets With Swedish Prime Minister Q 3
Veiga Meets With Soviet Trade Delegation Q 4
Castro Reports to Politburo, Secretariat Q 4
Central Committee Member Zubiaur Mir Dies Q 4

DOMINICAN REPUBLIC

Haitian Government Pledges to Pay $2 Million Debt R 1
Foreign Ministry on Threats to Diplomats in Haiti R 1
Physicians Call of 72-Hour Strike 14 March R 1

CARIBBEAN

ARUBA

Netherlands' Envoy on Dismantling Lago Refinery S 1

HAITI

Two Ministers Resign; Replacements Appointed S 1
Postal Workers' Strike Shuts Down Mail Service S 1

AREA, CONTADORA MINISTERS MEET IN COSTA RICA

Costa Rican Minister's Statement

PA140039 San Jose Radio Impacto in Spanish 1830 GMT 12 Mar 86

[Text] The second meeting of the deputy foreign ministers of Costa Rica, Nicaragua, and Contadora began this morning. This meeting is aimed at concluding discussions regarding the establishment of a vigilance commission for the common border.

Costa Rican Foreign Minister Carlos Jose Gutierrez opened the meeting by noting that this is the fourth effort to install the commission and to complete some effective work. Prior efforts were made in 1982, 1983, and 1984, said Gutierrez. He emphasized the Costa Rican Government's decision not to yield to the Sandinist petition to create a demilitarized strip on the border with Nicaragua.

[Begin Gutierrez recording] The fact that Costa Rica advocates the creation of the new organization in a detailed, specific, and comprehensive manner does not mean that it has lost interest or that it wants to put aside its confidence in the Contadora document negotiations. If the document were already completed and signed it would not be necessary to create this type of commission. That would be preferable to the Costa Rica Government and it continues to be what is desired. For the same reasons, Costa Rica feels that the mechanisms we are going to create during these negotiations must be temporary as it will only handle border problems between Costa Rica and Nicaragua.

Unfortunately, as we all know, the Central American crisis is not limited to border incidents. There are peace and security problems; there are political, economic, and social problems. The crisis concerns us all as the Contadora Group sessions have correctly stated, and all of these problems must be solved as a whole.

We would be sadly famous if, with this commission, we began digging the grave of the great hope that surrounds Contadora and its essential idea that a democratic and free Central America must exist and that there can be no exceptions to the democratization of Latin America. In addition, it must be clear that the Costa Rican Government does not agree with the establishment of a demilitarized zone. [end recording]

The government agrees that what should be created is a permament civilian commission that has the assistance of competent advisers in defense and security matters. Gutierrez said that the number of commission members, the number of advisers, and the areas in which knowledge and expertise are needed must still be determined. The privileges and immunity that the commission members will have in Costa Rica and Nicaragua as well as the type and quantity of weapons they will be entitled to carry for personal defense must also be decided.

In the event of border incidents, it must be clearly defined who will report them, what procedure will be followed to report the charge of complaint, what system will be used for the investigation and so forth. All these details will have to be established at the end of the meeting that is being held at the Foreign Ministry today.

The Costa Rican delegation participating in this meeting of foreign ministers is headed by Deputy Foreign Minister Gerardo Trejos. It is also made up of Deputy Security Minister Johnny Campos and advisers Rodolfo Quiros Gonzalez and Mario Charpentier, as well as Alvaro Antillon, director general of the Foreign Ministry; and Patricia Duran, deputy director of the Latin American Affairs Department.

The Nicaraguan delegation is headed by Deputy Foreign Minister Victor Hugo Tinoco. It also includes Nicaraguan Ambassador Leonor Arguello, Ricardo Wheelock, as adviser, Ramon Leets, Mauricio Herdocia, and three other individuals.

Regarding Contadora, the participants are Deputy Foreign Ministers German Nava Carrillo of Venezuela, Guillermo Fernandez of Colombia, Jose Maria Cabrera of Panama, and Ricardo Valero of Mexico, all of them are accompanied by officials of their embassies in our country.

Nicaraguan Deputy Foreign Minister Tinoco feels that the vigilance commission's expenses must be paid by the Latin America countries and the European nations. Commissions like this will help to create confidence after 4 years of confrontation he added. Asked about a possible dialogue with the Nicaraguan opposition, Tinoco said we are willing to talk to their chief, and mentioned U.S. President Ronald Reagan. There will not be any dialogue with Nicaraguan opponents, he reiterated.

Gutierrez, Arias on Regional Meeting

PA140643 San Jose Radio Reloj in Spanish 0110 GMT 14 Mar 86

[Text] Expressing his satisfaction over the results of the meeting between the Costa Rican and Nicaraguan delegations, Foreign Minister Carlos Jose Gutierrez said in the presence of the Contadora Group deputy foreign ministers that the basic document reflects the position that President Luis Alberto Monge has been maintaining on the matter. However, Gutierrez said that yesterday's meeting was [word indistinct] and that the efforts will continue. He added that although there is a good basis, there are still pending matters which will require new meetings in order to arrive at a final agreement.

The Contadora Group will meet in Panama City at the end of next week. The subject of the border investigation and supervision comission will be reviewed again at this meeting.

Foreign Minister Carlos Jose Gutierrez said that an inspection of the border region by delegates of the Contadora and support groups will be necessary in order to define some basic matters. The drafting, signing, and ratification of an agreement will also be necessary, which in the case of Costa Rica must be approved by the Legislative Assembly, Gutierrez added. The dates for the continuation of the process outlined in the basic document for the creation of a border commission were not decided at the meeting held all day Wednesday and into the night. Foreign Minister Gutierrez said that the program to be followed will be determined at the next meeting of the Contadora and Support groups and the Central American foreign ministers.

However, Gutierrez was clear in stating that there are no bilateral talks between Costa Rica and Nicaragua scheduled to discuss this subject, although Deputy Foreign Minister Gerardo Trejos said that the negotiations to draft an agreement together would begin in the next few days.

Regarding yesterday's disagreement with Deputy Public Security Minister Johnny Campos Loaiza, who said that no agreement should be signed with Nicaragua yet, Foreign Minister Gutierrez said that the disagreement was in form and not in substance. In this regard, he said that he met with Public Security Minister Benjamin Piza this morning, who told him that he agreed with the terms of the basic document for the creation of a border commission. Gutierrez said that logically we are not a monolithic country, and that this is why there are different viewpoints.

Foreign Minister Carlos Jose Gutierrez said that the document signed only outlines the agreements reached, but that the Costa Rican Government does not have any obligations until a treaty is signed. The document reflects the subjects discussed and the agreements reached. In other words, it was the culmination of another phase of the negotiations which falls within the framework of the Contadora Group process, Gutierrez added. He insisted once more that in order to complete the negotiation, it will be necessary to sign a formal treaty, and that further talks will be necessary.

Some observers believe that the establishment of a border commission under the conditions agreed at the meeting held yesterday in the presence of the Contadora Group deputy foreign ministers will be decided by the new government. The fact that it will be necessary to have legislative approval means that it will not be discussed by the current legislature. In addition, the negotiations for the treaty and the allocation of the necessary funds will require time, according to people involved in the treaty procedures and negotiations.

Those who believe that the new government will decide on the establishment of a border commission have said that the Contadora and Support Group countries cannot offer aid on their own. It is necessary that Costa Rica and Nicaragua together ask those countries to conduct efforts ot their behalf, based on an agreement to establish a supervision and vigilance commission. That means that new negotiations and definitive talks between Costa Rica and Nicaragua will be necessary prior to obtaining aid such as helicopters, vehicles, launches, and weapons for the commission.

Costa Rican President-elect Oscar Arias Sanchez believes that a civilian mission to supervise the Costa Rican-Nicaraguan border will not be very successful. Regarding the agreements reached during Tuesday's meeting between the two countries and the Contadora Group's deputy foreign ministers, he said: I would repeat Napoleon's phrase: Dress me slowly, as I am in a hurry. He added: One thing we must mediate on is that we cannot risk a new failure as in the past. He said: Last year we tried to create a commission of this type. I think we must procede with caution to be successful. It is not really easy to guarantee our neutrality with civilian observers at a border more than 300 km in length. Although I am not fully aware of the results of Tuesday's meeting, I would say that we must think a great deal in order not to risk another failure with Nicaragua, Arias concluded.

C.A. PRESIDENTS CUPPORT DUARTE PREPOSAL

PA160051 Panama City ACAN in Spanish 2345 GMT 15 Mar 86

[Excerpt] Tegucigalpa. 15 Mar (ACAN-EFE) -- The Honduran, Guatemalan, and Costa Rican presidents today asked the Nicaraguan Government to accept Salvadoran President Jose Napoleon Duarte's proposal to seek a dialogue between the Sandinists and the opposition.

The joint statement was reported today after the meeting between Oscar Arias, Costa Rican president-elect, and Honduran President Jose Azcona Hoyo in Tegucigalpa. The Central American presidents said: "During our meeting we agreed to support the Salvadoran president's initiative." The presidents agreed to suport Duarte's proposal to Nicaraguan President Daniel Ortega so that both he and Duarte "will initiate, each in his own country, a dialogue with the opposition to seek national reconciliation," according to the document signed today.

The presidents asserted: "Because we know the storm that looms over Central America, we know that the region's peace is based on dialogue and understanding among the peoples of these two nations and the solidarity of these peoples in the exercise of democracy."

Presidents Vinicio Cerezo, Arias, and Azcona also said: "Those of us who want to avoid war support the determination and all measures, like the proposed by Duarte, that will help to eliminate violence and bring the parties in discord closer together."

They added: "Our support for this interesting initiative is neither a unique nor isolated fact among all democracies of the world to induce the Nicaraguan leaders to admit the urgency of opening a path for dialogue and thus create the proper conditions for peace in the area."

CONTADORA MEETING POSTPONED UNTIL MID-APRIL

PA151950 Madrid EFE in Spanish 1850 GMT 15 Mar 86

[Text] Caracas, 15 Mar (EFE) -- Venezuelan Foreign Minister Simon Alberto Consalvi announced today that the meeting of foreign ministers of the Contadora Group (Colombia, Mexico, Panama, and Venezuela) scheduled for 22 and 23 March [dates as received] has been postponed.

Consalvi indicated that the meeting convoked for Contadora Island, Panama, will be postponed until the middle of April.

He explained that the reason for the postponement is that it had been difficult to harmonize the commitments of some foreign ministers for those dates.

He added that the April meeting will be very significant "because the foreign ministers who have a direct interest in the quest for peace in the region will be present for the first time."

Consalvi announced that "open support" will be given to the initiatives that have emerged from the Central American countries, such as during the summit meeting of presidents and the regional parliamentary meeting. He added that the latter has the support and sympathy of many Latin American congressmen and will be the object of actions by them, in an effort to consolidate democracy and stability.

The Venezuelan minister expressed confidence that current circumstances will be favorable for making progress in the process of negotiations to consolidate peace in Central America.

GOVERNMENT CRITICIZES GEORGE SHULTZ' REMARKS

PY150256 Madrid EFE in Spanish 0217 GMT 15 Mar 86

[Text] Brasilia, 14 Mar (EFE) -- Ruy Nogueira, Brazilian Foreign Ministry spokesman, has labeled the statement by U.S. Secretary of State George Shultz that Nicaragua is training guerrilla groups to reportedly operate in Brazil as "unfortunate, inappropriate, and irrelevant."

The spokesman reported that Elliott Abrams, U.S. assistant secretary of state for Inter-American Affairs, had sent a letter of apology to the Brazilian Foreign Ministry.

Shultz told the U.S. Senate Foreign Relations Committee that Nicaragua is training guerrilla groups to operate in Brazil, Chile, Ecuador, the Dominican Republic, Uruguay, and Venezuela.

Nogueira said: "There is no Nicaraguan intervention in Brazilian internal affairs."

Shultz made his statements to a committee on 27 February, as he was requesting Congress' authorization to provide $100 million for the Nicaraguan "contras."

The Brazilian Embassy in Washington has requested an explanation from the State Department of Shultz' statements, the Brazilian spokesman added.

Abrams has sent a letter to Brazilian Foreign Affairs Under Secretary Gilberto Velloso, saying that "I regret that this matter has caused confusion."

The U.S. official acknowledged in the letter that the existence of the groups to which Shultz referred does not imply that there are guerrillas in Brazil.

Incident Termed 'Closed'

PY150407 Rio de Janeiro Radio Globo Network in Portuguese 0305 GMT 15 Mar 86

[Text] The United States has admitted having improperly used Brazil's name. Therefore, the Foreign Ministry has regarded as closed the incident provoked by George Shultz' remarks that Brazilian guerrilla fighters were being trained in Nicaragua to see action in Brazil.

Itamaraty has received a letter noting that U.S. Secretary of State George Shultz meant that Brazilians were being trained in Nicaragua, but not to see action in Brazil.

GOVERNMENT SUPPORTS U.S. PROPOSAL AGAINST CHILE

PY151316 Brazilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Mar 86

[Text] Brazil supports the U.S. proposal requesting the UN Human Rights Commission to condemn the Chilean Government. For the past 2 years, Brazil has not voted in favor of this type of proposal because it considered the (?charges) to be exaggerated.

CREW OF PANAMANIAN VESSEL CARRYING ARMS ARRESTED

PY151524 Madrid EFE in Spanish 1411 GMT 15 Mar 86

[Text] Rio de Janeiro, 15 Mar (EFE) -- At dawn today, the Brazilian Federal Police arrested the 8-member crew of the S.S. Mobitu. The Panamanian flag carrier was transporting arms from Argentina to Africa, according to information confirmed by authorities. The vessel did not have a scheduled stopover in Rio de Janeiro.

The police action took place after the Panamanian vessel illegally entered Brazilian waters. The ship was surrounded by patrol boats and the crew forced to surrender.

The eight members of the crew, whose nationality and names have not been released, are currently being held under arrest by the Rio de Janeiro Federal Police, while awaiting the conclusion of investigations. The police sources who were consulted did not disclose any information on the size of the arms shipment being transported by the vessel.

FEBRUARY TRADE SURPLUS REACHES $759 MILLION

PY131624 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 12 Mar 86

[Text] The Brazilian trade balance surplus during February 1986 was $719 million. This was reported yesterday by Roberto (Fendix), president of the Bank of Brazil creign Trade Department[CACEX]. He explained that there was a growth of 34 percent as compared to January 1986.

According to (Fendix), the government economic measures did not affect exports, which maintained a normal flow, and CACEX is already beginning to review its prediction for this year's trade balance. He feels that the surplus will reavh $12.4 billion.

BRIEFS

CUIABA COURT SENTENCES POLICEMEN -- The Cuiaba criminal court has sentenced two policemen, Laury San Martin Piaxao and Moacyr Roberto Temusa, to 27 years in prison. They were accused of murdering 10 people reportedly involved in the so-called "blue towel" crime. These two policemen have accused Governor Santos of instigating the murders of Lawyer Celso Quintela, and Security Secretary Oscar Travato, and of being involved in drug trafficking. Other former policemen involved in the same crime and sentenced to long imprison terms are Osvaldo Ferreira do Santos, Ezio Guimaraes Santiago, Modesto Magalhaes Pinto, and Aguinaldo Godoy. [Excerpts] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 11 Mar 86 PY]

BANK'S FOREIGN OFFICES CLOSED -- As of today, the Bank of Brazil offices in Gabon, Egypt, Morocco, Senegal, Nigeria, and Tunisia, will be closed. This decision was made yesterday at the meeting of the bank's board here in Brasilia. This measure is part of the reorganization policy of foreign acitivities of the institution. It seeks to save more than $1 million annually. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 11 Mar 86 PY]

CREDIT AGREEMENT WITH COLOMBIA -- Bank of Brazil President Camilo Calazans yesterday signed a credit contract in Colombia for $8.5 million. This money will be used to finance 85 percent of the services that Brazil will grant to Colombia. The payment of the credit will be made directly to the Brazilian company affiliated with CACEX [Excerpts] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 12 Mar 86 PY]

FURTHER REACTION ON UN HUMAN RIGHTS DEBATE

Del Valle Comments

PY142056 Santiago Domestic Service in Spanish 1730 GMT 14 Mar 86

[Text] Upon returning to Chile, Foreign Minister Jaime del Valle has reiterated that our country has its own political program, which will be implemented until its goal is reached. Minister Del Valle made this statement in reply to the resolution presented to the UN Human Rights Commission in Geneva by the United States and Mexico.

[Begin del Valle recording] Chile has determined to reach a goal. Chile has its own timetable, which it is carrying out. We have told the friendly countries that we are going to do things our own way, therefore pressures and recommendations [passage indistinct] because we have shown our good will but we are moving ahead in accordance with our internal situation, in accordance with the Chilean timetable. [end recording]

Jaime del Valle also said that the government is going to evaluate the resolution with tranquillity and serenity, and that it will then show the procedures that have been established to answer the charges.

[Begin Del Valle recording] We are not going to make hasty decisions because we have (?enemies) who want us to show desperation and hastiness. We are not going to do that. We are going to evaluate the resolution with tranquillity and serenity and then we are going to choose the appropriate path within the established procedure, which is relatively long. We have good possibilities to defend our position because when we allowed Mr Volio to enter Chile we were able to get inside the system of the Human Rights Commission [passage indistinct]. [end recording]

U.S. Ambassador Harry Barnes said that he was not aware of the U.S. resolution against Chile. Jaime del Valle indicated that the U.S. ambassador told him that he was not aware of any speech by the U.S. delegate, Richard Schifter, and reiterated that Schifter did not say what the press agencies reported. Del Valle said that the explanation was given to him by the U.S. ambassador on the telephone this morning.

According to press agencies, the resolution approved in Geneva by members of the Human Rights Commission was put at the consideration of the commission president, Austrian (Kurt Hurling). The report also indicates that the resolution was adopted based on a project submitted by the United States and that sections of the resolution, prepared by Mexico with the support of Algeria and Yugoslavia, were added.

The resolution demands that Chilean officials thoroughly investigate any violation of human rights and that appropriate measures be taken against those responsible for the violations. The U.S. delegate before the commission, Richard Schifter, explained that the objective of the U.S. Government resolution is to encourage a peaceful change toward democracy in Chile. The U.S. delegates previously admitted that the U.S. Government had consulted with Chilean opposition leaders about the draft resolution.

Further Del Valle Remarks

PY1511244 Santiago Radio Chilena in Spanish 2300 GMT 14 Mar 86

[Text] Foreign Minister Jaime del Valle has said that the Chilean Government will answer the Volio report and the final draft resolution submitted to the UN Human Rights Commission, which was voted on today, at the appropriate time.

Del Valle made this statement during an unusual visit with the journalists accredited to the Enrique Berstein Press Room at the Foreign Ministry. Asked about his meeting with General Videla, del Valle said that there are a great number of activities in the Foreign Ministry, but that he is not desperate over the Volio report. Del Valle said: No, I am not desperate. I am very busy. We are preparing for the binational meeting to be held in Buenos Aires next April, the trip of the Chilean delegation to China, and the visit of the Peruvian foreign minister. We are working in many very interesting areas.

Jaime del Valle also pointed out that President Pinochet listens attentively and calmly to the reports submitted to him on the human rights issue by the Foreign Ministry. He added that at the appropriate time, Chile will answer the Volio report and the final draft resolution submitted to the UN Human Rights Commission.

The foreign minister said that this morning U.S. Ambassador Harry Barnes told him that the U.S. Government is not using the word condemn in the Chilean case. Del Valle added that the text of the final UN resolution will be delivered to him today. Let us recall that the UN Human Rights Commission has unanimously condemned the violation of human rights in Chile.

PDC's Zaldivar Comments

PY141642 Santiago ANALISIS in Spanish 11-17 Mar 86 p 44

["Exclusive interview" granted to Patricio Acevedo by Chilean Christian Democratic Party [PDC] leader Andres Zaldivar -- date and place not given -- quotation marks as published]

[Excerpt] [Introductory passage omitted] [Acevedo] Spokesmen of the Chilean regime have disregarded statements made by U.S. officials who have publicly expressed their concern for the prompt return of democracy in Chile. What is your opinion on how the Chilean situation is viewed in the United States?

[Zaldivar] I base my answer not only on the close contacts I have recently held with members of the Reagan administration but also with those from other U.S. institutions. This time I found that today in the United States there is a single position regarding the Chilean situation. This is completely different fromthe situation I found the last time I visited the United States a year ago. Today they center their concern on two important issues: democracy and human rights, which are the core of an international political campaign. This campaign grants a privileged place to our hemisphere and, therefore, to Chile. But of course, this cannot be interpreted as a manifest will to intervene in our domestic affairs. No, not at all. I believe that this is the sovereign right of any nation -- and particularly that of a superpower that has international influence -- which bases its line of conduct on those values we have already mentioned: democracy and respect of human rights.

The Chilean situation is not a priority case for the United States alone. It is also one of the European countries and for the entire democratic world; because it is one of the few cases in which a dictatorship is still in power after so many years. Therefore, I believe that the statements issued by the Chilean Government describing the U.S. Government statements as "intervention in domestic affairs" are not in keeping with the truth, since it is logical for the United States to adopt its own international policies in keeping with its own pattern of conduct. What is really happening is that the Chilean Foreign Ministry is burying its head in the sand, which is characteristic of regimes that refuse to accept reality and always have a bad ending.

[Acevedo] It has been noted that social mobilization was one of the main factors used to destabilize the governments of the Haiti and Philippines. Do you believe that social mobilization in Chile could yield similar results?

[Zaldivar] Yes, indeed. I hope social mobilization yields similar results in Chile, and I am going to help in the achievement of this goal because I believe that social mobilization is the only tool that a society has available to peacefully demand the enforcement of its rights, such as the return of democracy. All Chileans have the obligation to promote a social mobilization so that the whole of Chilean society can pressure the regime -- through peaceful means -- to tread the path that will lead us to a real and honest democratic transition before it is too late.

[Acevedo] After a visit you paid to PDC Youth Leader Andres Palma in jail, people heard you express your complete support for what Palma said in his ANALISIS interview. Does this mean that you also support such comments by Palma as "if Pinochet does not leave power, we must overthrow him" and that this should be done "with the participation of the Armed Forces?"

[Zaldivar] Well, when I expressed my solidarity to Andres Palma, I did so in general terms. I have also said that dictators leave power either because God takes them or because the people overthrow them. But regarding the participation of the Armed Forces, I believe that any transition process to full democracy must unquestionably be achieved through an understanding between the civilians and the Armed Forces. If there is no understanding, this would mean that the civilians will have to defeat the Armed Forces, but this is not the path that either Andres Palma or I have chosen. This is what I understand he meant, and I support this statement: that is, "there is no democratic solution if there is no understanding with the Armed Forces. The other alternative -- which neither I nor, I believe Andres Palma is in favor of -- that we are going to confront the government and defeat it in the military field, is simply completely senseless."

Socialists Criticize U.S. Stand

PY141532 Santiago Radio Chilena in Spanish 2300 GMT 13 Mar 86

[Text] Democratic Socialist Party [PSD] leaders have expressed misgivings over the intervention of some countries in Chilean domestic affairs. Luis Angel Santibanez, president, and (Raul Soto Bravo), vice president of the party, have conveyed their opinion to Foreign Minister Jaime del Valle. Santibanez stated that it is a tradition of the Chilean people to defend national dignity. Santibanez added that we are of age, free, and civilized. The PSD president asserted that we Chileans have lived under democracy much longer than those who intend to teach us about it. In conclusion, Santibanez said, that Chile abolished slavery in 1811 and that the United States did not do so for another 50 years.

NATIONAL UNION PARTY WANTS OPEN ELECTIONS IN '89

PY161355 Madrid EFE in Spanish 1808 GMT 15 Mar 86

[Text] Santiago, 15 Mar (EFE) -- The rightist Chilean National Union Party (UN) today asked the government of General Pinochet for "open presidential elections for 1989."

In a public declaration the UN said that the Chilean military government's desire to reestablish institutionality is affected by "the lack of constitutional norms to regulate the transition and by a presidential succession mechanism for 1989 that deserves serious criticism."

According to the 1980 Constitution, the government headed by General Augusto Pinochet will end in 1989. At that time the Junta of commanders of the Armed Forces will propose that a presidential candidate be named, and only if this proposal were rejected would elections then be held in 1990, thus extending General Pinochet's mandate for another year. The UN believes that "the government should propose a constitutional reform to allow an open presidential election in 1989 and another reform making the procedure for constitutional amendement more flexible."

The declaration adds that with these measures the military government "can demonstrate its willingness to accept the constructive proposals of the people to guarantee the transfer of power to civilians thus doing away with the mistrust of some sectors." The UN asked the government "to strengthen the action of justice by exercising a strict control over excesses committed by security organizations." The UN also requested "a solution to the problem of people in exile, the full reestablishment of public freedom and the lifting of press restrictions."

STUDENT DEMONSTRATION BROKEN UP; 7 ARRESTED

PY141452 Paris AFP in Spanish 0509 GMT 14 Mar 86

[Text] Santiago, 13 Mar (AFP) -- Eyewitnesses have reported that seven students were arrested in Santiago today while participating in a demonstration near the La Moneda presidential palace. The Carabineros went into action against approximately 300 students from several metropolitan high schools who were protesting for the resignation of Education Minister Sergio Gaete and recognition of the Santiago High School Student Federation.

Yet another area of tension was the Santiago Catholic University, where dozens of youths staged a wake for the freedom of 12 students who were arrested on 10 March. Groups of Carabineros took positions around the university, located on the downtown Bernardo O'Higgins Avenue, but no incidents were reported. Meanwhile, approximately 50 members of the Association of Relatives of Persons Arrested and Missing staged a brief silent demonstration in front of the Villa Grimaldi building in eastern Santiago where security services of the military regime formerly were headquartered. The demonstrators said that they wanted to pay homage to the many women who disappeared after being held under arrest in the building.

DISTURBANCES AT MAGALLANES, CATHOLIC UNIVERSITIES

PA141454 Paris AFP in Spanish 0636 GMT 14 Mar 86

[Text] Punta Arenas, 13 Mar (AFP) -- The Carabineros tonight evicted approximately 100 students from the University of Magallanes, although no one was arrested. The youths had gathered inside the building to participate in a wake protesting the university system and the military government-appointed rectors, but were evicted by dozens of heavily armed policemen. University sources reported that some of the students who tried to resist the eviction were dragged along the corridors and thrown out of this university in Punta Arenas, 2,500 km south of Santiago.

University leader Bernardo Troncoso, who opposed the eviction and was dragged along the corridors, told AFP that "once again the authorities have engaged in repressive actions, but we will continue opposing intervention in the universities." Meanwhile, in Santiago the office of the rector of the Catholic University tonight reported that some 150 persons besieged his offices during the day, shouting insults, breaking windows, busting doors, and writing dirty slogans on the walls. Inside the premises of the Catholic University, several youths staged a wake for the release of 12 students arrested on 10 March.

POLICE ISSUE BULLETIN ON ALVARO FAYAD CASE

PA150217 Bogota Television Service in Spanish 1730 GMT 14 Mar 86

[Text] The Bogota police have reported that Alvaro Fayad, who was killed last night during a military operation, was found thanks to a phone call giving a tip as to his whereabouts.

[Begin unidentified speaker's recording] The Bogota Police Department informs the people in general that yesterday, the Police Department received an anonymous phone call providing information on the whereabouts of Alvaro Fayad Delgado, chief of the 19 April Movement [M-19] subversive group. Following the telephone call, the appropriate measures were taken to capture Fayad with the necessary precautions being observed in view of Fayad's reputation and the danger he represented. Once he was located, Fayad put up armed resistance and was killed, along with Maria Cristina de Rosero. A policeman was wounded in the clash. The National Police are grateful for the timely information and encourages the people to continue this kind of cooperation to help maintain order, peace, and tranquillity in the country.

[Signed] Brigadier General Gustavo Gonzalez Puerto, commander of the Bogota Police Department [end recording]

Composer Raul Rosero went to the Colombian attorney general's office this morning to explain that neither he nor his family were involved with Alvaro Fayad. Rosero said that Alvaro Fayad arrived at his apartment pretending to be a radio station representative and saying that he wanted Rosero to prepare a jingle for the station. Fayad was there waiting for Rosero when the authorities arrived. Mrs. Raul Rosero died during the ensuing police operation.

M-19 Said To Confirm Death

PA150050 Bogota Cadena Radio Super in Spanish 0000 GMT 15 Mar 86

[Text] Bogota -- The M-19 tonight confirmed the death of guerrilla leader Alvaro Fayad Delgado in an operation carried out last night by combined Army and police forces. However, the authenticity of the document has been questioned, as it is signed by Gustavo Arias Londono known as Commander Boris.

According to sources versed in these activities, the communique received after midday by local newspapers and radio and television stations should have been signed by Carlos Pizarro Leon Gomez who, with the disappearance of Fayad, should be the first in line to succeed him in the rebel organization. The communique is contradictory, and in acknowledging in its first paragraph that the loss of the rebel leader is another setback for the M-19 that has been, dealt to the person who founded, organized, and commanded the movement, in its other paragraphs, it states that we make an unbiased analysis: the subversive scene is clarified with the death of he who, with inefficient military tactics, filled with deeply rooted ideologic sectarianism and personal ambition, assumed command of the movement in 1984.

Threatens Betancur, Others

PA162254 Madrid EFE in Spanish 2215 GMT 16 Mar 86

[By Carlos Lareau]

[Excerpts] Bogota, 16 Mar (EFE) -- The M-19 has threatened Colombian President Belisario Betancur in reprisal for the death of its top leader Alvaro Fayad Delgado, who was killed by the police last Thursday.

At the same time, various sources agreed on the deep strife existing within the guerrilla group, which has been heightened over the succession of the M-19 leadership, a position currently in dispute among several of Fayad's deputy leaders.

In a call to a national information agency, Libardo Parra, one of the military commanders of the rebel organization, directly threatened President Betancur, Defense Minister General Miguel Vega Uribe, and General Victor Delgado Vallarino, police director, as the targets of a future reprisal for Fayad's death. Alvaro Fayad was killed Thursday night when special police groups were alerted by an anonymous caller and raided the apartment in Bogota where the guerrilla leader was at the time.

The newsman who received the call from Parra, known as "Commander Oscar," confirmed to EFE that it was the guerrilla and he quoted him as saying that "Betancur will not conclude his term on 7 August," which is the date that the president will transfer power to whoever succeeds him in the 25 May elections. For their part, the police and the Armed Forces have increased protection around the principal members of the government and military leaders, as well as in public buildings and military installations.

In a communique sent to the Bogota press, Gustavo Arias Londono, one of Fayad's deputies, announced that he has assumed command of the M-19 and has commited himself to "correcting the mistakes" of the slain leader and of Carlos Pizarro Leongomez, another commander of the group in line for the leadership. The note blamed Fayad and Pizarro for "having led to their graves" more than 100 guerrillas in the past weeks and for engaging in tactical and judgment errors.

M-19 RAPS ELECTIONS, PROPOSES PEOPLE'S ASSEMBLY

PA142225 Madrid EFE in Spanish 0223 GMT 13 Mar 86

[Text] Bogota, 12 Mar (EFE) -- The M-19 guerrilla groups have said that last Sunday's elections in Colombia served to "legitimize the vices of a ruling class." In a communique released today, the M-19 states that the ruling class "makes of tutelage, corruption, false promises, impunity, and selling of votes the instruments to perpetuate a government of the minorities." The document said that "we believe in elections, but without tutelages that impair free voting," adding that this will be achieved "without monopolies of propaganda and information, with education, liberties, and candidates representing the desires of the majorities."

In the same communique, the M-19 denied that the organization had a sabotage plan to be carried out during the elections, and proposed convoking a people's national assembly. For the guerrilla group, "the elections were sabotaged in advance due to the reasons mentioned," Regarding a people's national assembly, the M-19 said that "Colombia demands a new political will based on the possibility of democratic participation of as many of the civilian, political, military, social, and cultural forces as possible. That is the objective of the people's national assembly convoked as of today by the National Guerrilla Coordinating Board (CNG)," the document concludes. The CNG is a fusion of the insurgent forces made up of the M-19, the Popular Liberation Army, the "Quintin Lame" Indian group, and the National Liberation Army, among others. Last Sunday, Colombians elected 114 senators, 199 chamber representatives, deputies to 23 departmental assemblies, intendency and county representatives and councilmen for approximately 1,000 municipalities. The Liberal Party received more than 49 percent of the votes cast.

TROOPS QUELL GEN VARGAS' 2D REBELLION

Acting Defense Minister Named

PA141459 Quito Domestic Service in Spanish 1250 GMT 14 Mar 86

[Executive decree issued by Ecuadoran President Leon Febres Cordero in Quito on 13 March; read by Joffre Torbau, secretary of public administration -- live or recorded]

[Text] By means of Executive Decree No. 1680 of this date, the resignation of the national defense minister has been accepted. Article 29 of the Armed Forces Personnel Law establishes that in the case of disability or absence of the national defense minister, he must be replaced by the chief of the Joint Command of the Armed Forces. Exercising the powers granted by Point E of Article 88 of the Constitution, the following is decreed:

Article 1. Division General Jorge Azanza, chief of the Joint Command of the Armed Forces, is placed in charge of the National Defense Ministry until the minister is appointed.

Issued at the National Palace in Quito on 13 March 1986

[Signed] Leon Febres Cordero Rivadeneira, constitutional president of the Republic.

Vargas Given Ultimatum

PA161701 Paris AFP in Spanish 1641 GMT 14 Mar 86

[Text] Quito, 14 Mar (AFP) -- General Frank Vargas has acknowledged receipt of an ultimatum that expires today at 1700 GMT. It demands that he abandon the Quito Air Force base that he militarily occupied at noon on Thursday. If the ultimatum is rejected, government forces will attack, he added. The former commander in chief of the Air Force stated this to foreign reporters he met with at the air base, the entrance of which is covered by three Army tanks. This information has not been confirmed by officials.

Troops Surround Rebel Garrison

PA141708 Hamburg DPA in Spanish 1603 GMT 14 Mar 86

[Excerpts] Quito, 14 Mar (DPA) -- Government troops today closed in around the military air base at Quito, the general garrison of the forces that have rebelled against the military command of Ecuador. Meanwhile, the area remained cordoned off by the police. A broad sector in northern Quito, where the air base is located, was cordoned off this morning (local time) and not even newsmen are allowed in the area.

Surveillance at public buildings has been redoubled while police riot control vehicles are posted in strategic points of the city in order to prevent further demonstrations similar to the ones that took place early this morning. Army troops in field uniforms are mounting a permanent guard around the Government Palace in the colonial center of Quito, although traffic has not been interrupted. [passage omitted]

A high-level legislative commission this morning began to mediate, apparently with the approval of the government authorities. It was not learned, however, if the government would agree to negotiate a solution to the new conflict, in view of the fact that the first rebellion -- that began last Friday and concluded on Tuesday -- concluded with an agreement that failed within 48 hours. The fact that the base is situated in a densely populated area in Quito is apparently impeding a military solution to the crisis as an armed clash in this area would result in a slaughter.

Tanks Enter Air Base

PA141800 Paris AFP in Spanish 1742 GMT 14 Mar 86

[Text] Quito, 14 Mar (APF) -- Three Army tanks entered the Mariscal Sucre Air Base in Quito 20 minutes after the attack by troops loyal to Ecuadoran President Leon Febres Cordero began at 1150 (1650 GMT) to dislodge rebel Air Force General Frank Vargas Pazzos. Moments earlier Pazzos had asked for the resignation of the president and the formation of a civilian-military government. Febres Cordero had warned that the attitude of the rebel general "was not only a case of military insubordination but a political conspiracy underway."

Five minutes before the attack, loud shouts were heard inside as well as a harangue in which the rebel general called on his men to defend themselves. Before the attack began, Varbas Pazzos said that he would resist to the end. Heavy shooting and bursts of machinegun fire were heard in northern Quito where the base is located and where some ambulances have arrived. Calm prevailed in the rest of the capital following the establishment of the state of emergency last night and the establishment of prior censorship. During the attack, all the radio stations broadcast music.

'Undetermined' Casualties

PA141855 Madrid EFE in Spanish 1823 GMT 14 Mar 86

[Text] Quito, 14 Mar (EFE) -- The attack on the "Mariscal Sucre" Air Base of Quito by government troops lasted less than 1 hour, in spite of the fact that the troops loyal to rebel General Frank Vargas put up a strong fight. The assault -- with tanks, artillery, and infantry -- has left an undetermined number of dead and wounded. EFE observed that there are at least two civilians wounded on the Avenue of the Press that leads to the base. There is heavy smoke in the area and the shooting continues, although it is sporadic. There are many ambulances rushing to the scene. The government troops reported that they have almost completely occupied the base, but the rebel Vargas has not been found as yet.

According to the Quito radio stations, Vargas left this morning for Manta Air Force Base, where he was entrenched from 7-11 March before turning himself in and being placed under arrest at the Quito base, deceiving the Army and then continuing with his rebellion. The Air Force has not participated yet in the attacks, but there was heavy activity in the airport area. The civilian airport, next to the military airport, has been closed to traffic since yesterday morning. The permanent calls for dialogue -- including the most recent one made by the President of Parliament Averroes Bucaram -- have apparently been useless, because the armed clash that all Ecuadorans feared has taken place.

Spokesman Discusses Attack

LD142001 Madrid Domestic Service in Spanish 1900 GMT 14 Mar 86

[Telephone interview with spokesman for the Presidency of Ecuador, Joffre Torbay, in Quito, by reporter Madrid Daniel Peral -- live]

[Excerpts] [Unidentified announcer] The second rebellion by Ecuador's General Vargas, the former Air Force chief, ended when government troops took the Mariscal Sucre base near the capital, Quito.

Daniel Peral from our international news desk has managed to get in touch with the office of the President of the Republic in Quito, Ecuador.

[Peral] Joffre Torbay, spokesman for the Presidency of Ecuador, good evening.

[Torbay] Good evening.

[Peral] We would like to know what the situation is at the Mariscal Sucre military air base in Quito?

[Torbay] The Mariscal Sucre air base, which was seized yesterday by the rebellious general, this afternoon was totally occupied by the three services of our Armed Forces -- the Navy, Air Force and Army.

[Peral] Do you know the whereabouts of the rebellious general, Frank Vargas?

[Torbay] So far it has not been established exactly where the general is, but it is presumed that he has fled to an unknown destination.

[Peral] Reports have reached Spain which say that General Vargas has gone to the Manta air base where he led the first rebellion.

[Torbay] People are making suppositions which are completely groundless, because that base is totally loyal to the government.

[Peral] Do you know if General Vargas has left the Mariscal Surcre base with any military units, or alone?

[Torbay] The impression is that he left alone or perhaps accompanied by one or two people, but no more.

[Peral] Has there been fighting at the Mariscal Sucre military base between government troops and the rebels?

[Torbay] Regrettably, yes. Up to the last moment groups supporting the rebellious general fired on the government forces, the forces of the Constitution, and this meant that some clashes took place.

[Peral] Were there any casualties?

[Torbay] There is talk of three or four wounded. At the moment one cannot say exactly what has happened with the forces which occupied the base.

[Peral] Does the government believe that this rebellious general is just an isolated case, or does he have the support of any civilian or military group in the country?

[Torbay] Fortunately, it is a completely isolated case, although there is still an opposition which tries by all possible means to take advantage of any of these things in order to destabilize democracy in Ecuador.

[Unidentified announcer] These were statements we received live from Quito from a spokesman for the Presidency of the Republic. So we can take it that the second rebellion by the Ecuadoran General Vargas has ended.

The Spanish Government has expressed its support for the democratic regime in Ecuador and its condemnation of any attempt to undermine the institutional order, according to a note issued a few minutes ago by the Diplomatic Information Office [OID]. The OID note says, and I quote, that in view of the present circumstances which have forced the Government of Ecuador to declare a state of emergency, the Spanish Government wishes to express its solidarity with the constitutional president of the Republic of Ecuador and reaffirms its support for the democratic regime in that country. At the same time it condemns any attempt to undermine the institutional order.

Government Says 4 Dead, 9 Hurt

PA142101 Buenos Aires REUTER in Spanish 2041 GMT 14 Mar 86

[Text] The government reported today that after recapturing the Quito Air Force base from the rebel forces, the balance is four dead and nine wounded on both sides, including civilians. According to a government report obtained by RUETER, the rebel forces had two wounded. The source added that the troops loyal to President Leon Febres Cordero sustained two dead and seven wounded, two of whom are in serious condition. The report added that two civilians were killed.

Early this afternoon, the troops loyal to President Febres Cordero took over the Mariscal Sucre Air Force Base located next to the civilian airport, where General Frank Vargas Pazzos, who managed to flee according to official sources, had entrenched himself.

Vargas Arrested

PA150215 Quito Radio Quito in Spanish 0137 GMT 15 Mar 86

[Text] The report we issued this afternoon has been confirmed: General Frank Vargas has been arrested at Mariscal Sucre Air Base, located in the capital. The official report reads as follows:

While the so-called "Operation Rake" was being carried out by the Armed Forces, who are controlling the installations of the Mariscal Sucre Air Base in Quito, Lt Gen Frank Vargas Pazzos -- who participated in the subversive rebellion against democracy and the Constitution, which was defeated shortly after noon today -- was discovered at the Air Force base's commissary, where he had hidden.

Once the place where Gen Frank Vargas had sought shelter was discovered, he was arrested and, according to the Constitution and the laws of the Republic, he will be subject to military penal norms for the trial, during which the appropriate responsibilities and the applicable sanctions will be established. Lt Gen Vargas will remain under arrest at a military unit. Immediately after the Armed Forces concluded the operation aimed at curbing the rebellious attempt against democracy and recovered control of the base, which is located in the northern area of Quito, various rumors started to circulate concerning what had happened with the rebel leader -- who was not located when the military action concluded.

"Operation Rake" was immediately started, designed to carefully examine the zone to guarantee control and prevent any surprise and unexpected actions. During this operation, the rebel leader was discovered inside the installations of the Ecuadoran Air Force's commissary.

According to what the president of the Republic has stated on many occasions, and what was one of the main points established on Tuesday of this week following the talks at the Manta Air Base, Lt Gen Frank Vargas will be tried in an impartial and objective way by the court which is determined by the Armed Forces' laws, and according to the procedures established by these norms concerning deadlines, terms, evidence, and sentences. The president specified the plan by which the investigations will be conducted and has also established a high-level commission, which is comprised of outstanding generals in reserve service, who will analyze the charges against certain military commanders and collaborate to fully enforce justice.

Bucaram Comments

PA152344 Quito Voz de los Andes in Spanish 1230 GMT 15 Mar 86

[Text] Although Congress asked President Leon Febres Cordero to stop the Army from attacking the Mariscal Sucre Air Force Base in an attempt to subdue Lieutenant General Frank Vargas Pazzos, the attack was carried out with a regrettable number of dead and wounded. The names of the victims have not been released following orders from the superiors. National Congress President Averroes Bucaram refers to the resolution approved by Congress and the appeal it made to prevent the Army from attacking the Air Force base:

[Begin recording] [Bucaram] Congress informed the presidency of the Republic of the resolution it approved.

[Unidentified reporter] What action has the National Congress taken to order a stop to all military actions and clashes among Ecuadoreans, particularly all members of the Armed Forces?

[Bucaram] We have announced the Congress' decision to the nation.

[Reporter] What is Congress doing to reinforce the constitutional regime and to defend democracy?

[Bucaram] Congressmen are here to defend the constitutional order and democracy, but this does not mean that we must approve of the killing among Ecuadoreans and do nothing about it. We took action early this morning by making an appeal to the members of the Armed Forces and to the president of the Republic. We want to reiterate Congress' decision to prevent clashes among Ecuadoreans and we demand an end to the military actions being carried out at this moment. We cannot approve clashes among Ecuadoreans and bloodshed in our country.

[Reporter] Is that Congress' resolution to the country?

[Bucaram] It is Congress' duty to prevent bloodshed among Ecuadoreans. We have been in direct contact with the president of the Republic to let him know of our resolution and to hold him responsible for what happens.

[Reporter] Has the executive branch responded?

[Bucaram] Thus far we have not received a reply to our resolution. [end recording]

Country 'Returns to Normal'

PA160024 Buenos Aires REUTER in Spanish 2221 GMT 15 Mar 86

[Text] Quito, 15 Mar (REUTER) -- Ecuador returns to normal today after withstanding two military rebellions, changes in the military leadership, a national emergency, dead and wounded, and the closure of news media during the last few days. Information Minister Patricio Quevedo said to REUTERS that the country is calm, and added that the leader of the two coup attempts, General Frank Vargas Pazzos, and an unspecified number of his followers are under arrest in a military prison awaiting trial "The state of emergency decreed on Friday night will surely be lifted on Monday, once all the administrative procedures have been carried out. This has not been possible given the normal weekend holidays," he explained.

Quevedo added that his office is working on the cancellation of the closure which was ordered on Friday against four local radio stations within the framework of a press censure ordered by the government to avoid any disruption of order. The Air Force bases in Manta and Quito that were seized by Vargas Pazzos were carrying out their normal activities today, and the local airport -- which was closed yesterday to domestic and international traffic -- began operating again today, it was stated by aeronautical sources.

Quevedo reported that the list of victims is still four dead and nine wounded, and -- except for Vargas Pazzos and one or two of his deputies -- "there are no other prisoners in the country with regard to the latest events."

Meanwhile, oil -- which represents approximately 70 percent of Ecuadoran exports -- was sold yesterday for $11.41 a barrel; the average price last year was $26, $22.30 in January, and approximately $17 in February. "Although the political-military problems have evidently been overcome and we still have the electoral campaign for legislative elections in June, the greatest problem in Ecuador is oil and the impact which will be felt shortly," it was stated by industrial sources.

Government spokesmen calculated Ecuador losses at $60-$65 million for every $1 drop in the crude oil export price. According to certain political sectors, it is necessary to renegotiate the $7.4 billion foreign debt. In December Ecuador managed to postpone the payment of $5.2 billion due in 1989 for 12 years with a 3-year grace period. In addition, while an agreement is being negotiated with the IMF to replace the one which recently expired, it is scheduled to pay $700 million in foreign debt interests this year.

JUDGE ORDERS 'EMBARGO' OF EASTERN AIRLINES PLANE

PA161952 Madrid EFE in Spanish 1920 GMT 16 Mar 86

[Text] Guayaquil (Ecuador) 16 Mar (EFE) -- An Eastern Airlines aircraft has been embargoed through a judicial order and is currently being held at the Simon Bolivar International Airport in Guayaquil. The embargo was authorized by a judge moments before the aircraft's scheduled departure to Panama, Miami and New York. The passengers, therefore, were asked to leave the plane, according to the local press. The embargo was ordered as a legal action in a suit filed by the CAFINSA Financial Enterprise in Guayaquil, which claims that Braniff owed them 150 million sucres (approximately $1 million). Eastern Airlines acquired the assets and liabilities of Braniff, which has ended operations.

POLICE BREAK UP PLRA RALLY; 12 DETAINED

PY170148 Madrid EFE in Spanish 0108 GMT 17 Mar 86

[Text] Asuncion, 16 Mar (EFE) -- The Paraguayan police today broke up a meeting of the opposition Authentic Radical Liberal Party (PLRA) in an incident in which 12 people were detained. There was an undetermined number of people wounded and bruised, including 2 soldiers. Miguel Abdon Saguier, a candidate for the party's presidency, is among those detained. According to fellow party members, he was "savagely beaten over the head with an iron bar," and the state of his health is unknown because he is being held incommunicado.

PLRA leaders have stressed that the incidents began on 15 March with the arrest of several local leaders and the concentration of soldiers in a rural area of Cordillera Department, where a rally was to be held. According to the leaders, the rally had the necessary authorization from the government. A caravan of PLRA militants, which on 16 March was heading for the rally, broke through a police barricade with shouts of "down with the dictatorship." The soldiers fired at least five shots but according to eyewitnesses, no one was hit.

In a communique, the PLRA stressed that during the rally, in which approximately 5,000 persons participated, the police rushed the speaker's rostrum, attacked Saguier, and dragged him, wounded, to a paddy wagon. During a confrontation with the police at the site of the rally, the demonstrators wounded at least two soldiers, according to the party's leaders.

The PLRA leaders indicated during a press conference that despite these incidents, the will for dialogue demonstrated by the party leaders prevented greater violence because the soldiers were in a position to fire their weapons. Miguel Angel Yaryes, the PLRA's president, blamed the Interior Ministry for the incident and attributed it "to the fear (of the government) of the political change that is to come" and to "a death rattle" of the regime of General Alfredo Stroessner. Yaryes guaranteed that the party will carry on with its campaign. The PLRA, which had nearly 80 members arrested last year, is one of the parties that it considered to be "irregular" by the government of Gen Stroessner. It also belongs to the opposition coalition National Accord, which has the support of the church in its project for a multisectorial dialogue for a peaceful transition to democracy in Paraguay.

PEASANT ORGANIZATION REPORTS POLICE REPRESSION

PY152122 Paris AFP in Spanish 0540 GMT 15 Mar 86

[Text] Asuncion, 14 Mar (AFP) -- The Paraguayan Peasant Movement (MCP), a trade union with a membership of nearly 20,000 farmers, today denounced mounting repression by the political police. According to the MCP this is the worst repression it has experienced since its establishment 6 years ago. MCP coordinator Gabriel Garcia has revealed that some uniformed outlaws carry out arrests, kidnappings, make all kind of threats, and even kill members of the proletariat. Garcia emphasized that the periodic arrests of farmers for having attempted to form a branch of the Permanent Assembly of Landless Peasants (APCT) flagrantly violates national laws and human rights. Cristina de Ortellado, chairwoman of the Permanent Commission of Relatives of Missing and Murdered People (CPFDA), has received death threats -- as did her husband before he died -- stating that she would be killed if she continues chairing the CPFDA. According to the reports, police officers from a police station in Caaguazu, 180 km east of Asuncion, a week ago seized two buses that were transporting more than 100 peasants to Asuncion.

WAGNER DISCUSSES GARCIA'S ARGENTINE AGENDA

PY131529 Paris AFP in Spanish 1530 GMT 12 Mar 86

[By Jose Calmet]

[Text] Lima, 12 Mar (AFP) -- Foreign Minister Allan Wagner announced here today that the foreign debt, regional disarmament, and the promotion of bilateral cooperation are the main topics on the agenda that Peruvian President Alan Garcia and his Argentine counterpart, Raul Alfonsin, will address during an official visit that Garcia will pay to Argentina from 14 to 16 March. Wagner said that the two governments have points of agreement on these issues and on the urgent need for a policy of political cooperation with the other countries of the region, so that Latin America's problems may be solved with Latin American solutions. Garcia and his entourage will arrive in Buenos Aires at 1030 on 14 March. The two presidents will hold at least two working meetings and will sign a joint declaration on the agreements that they will sign, in keeping with the visitor's agenda.

Wagner added that the two presidents will analyze bilateral relations within the framework of a Latin American continent in which solidarity and unity are increasingly stronger and in which all nations are convinced that they have a common future. He stressed that the presidential meeting will be significant because of the common views that the two heads of state share, because of the traditional, historical links between the two nations, and because the international crisis is still battering our economies and the debt crisis is still hindering our development.

Wagner pointed out that beyond all doubt, the debt will be the main issue discussed by the two presidents. He explained that Argentina and Peru, as well as the 11 members of the Consensus of Cartagena, agree on an essential issue: the debt cannot be repaid at the expense of our development. Neither should it cause our people to starve. The debt must be serviced with a percentage of the export income that should not hinder national development.

Garcia has allocated 10 percent of the Peruvian export income for repaying the debt, which is approximately $14 billion, and decided to do without the IMF in all negotiations. Argentina has thus far followed the IMF rules to refinance its $50-million debt. However, some analysts believe that Alfonsin is willing to adopt the new Latin American rules of the game.

The Peruvian president himself has recently proposed that the Andean Reserve Fund (FAR) be converted into a Latin American alternative that could replace the IMF. It is not by chance that coincidentally with the presidential talks, the FAR will begin a 48-hour meeting in Buenos Aires on 13 March. The meeting will be attended by Argentine observers, who will consider the Peruvian proposals.

Wagner remarked that it is clear that the international situation involving the foreign debt and the difficulties involved in the slow process of renegotiation with the creditors are forcing debtor countries to take a sovereign stand on the issue. According to diplomatic sources, in addition to advocating a freeze on the regional arms race so that more resources can be allocated for development programs, the two presidents will also review the international situation, particularly the Central American crisis and the problem involving the Malvinas Islands, over which Argentina claims sovereignty.

Wagner said that efforts will be made to promote bilateral political, cultural, and economic cooperation. In the economic area, Wagner mentioned a possible agreement over an old and ambitious project to build a railway that will join Buenos Aires and Lima through Bolivia. Wagner said that this project will be a railway corridor between the Peruvian Pacific coast and the Argentine Atlantic coast that will strengthen links between the two nations and that will help Bolivia overcome its landlocked situation.

The two presidents will also discuss what to do with the $100-million balance of the $300-million line of credit that Argentina granted Peru in 1981 which Peru has not yet used. According to an agreement reached in November 1985, the $100-million balance was to be used to help solve Peru's food shortage through the purchase of 900 tons of wheat, 50 tons of corn, and 40 tons of soybean [figures as received] from Argentina in 1986. According to diplomatic sources, President Garcia will ask Alfonsin that part of the balance be used for financing a passenger train project in Lima, a city of 6 million people.

In the commercial area, the presidents will discuss countertrade formulas (barter). It has been reported that Peru will offer iron for Argentina's iron and steel industry, as well as copper, lead, silver, zinc, cotton fiber, cotton textiles, alpaca wool, and other textiles.

In the nuclear area, efforts will be made to reactivate the construction of a reactor for peaceful purposes in Lima. Argentina has financed 90 percent ($73 million) of this project, which is almost 10 years old and which has not been completed because of Peru's financial problems.

The Ministry of Industry, Trade, Integration, and Tourism has reported that in the past few years, the balance of trade has been favorable to Peru. In 1984, Peruvian sales to Argentina reached $126.5 million, while Peruvian imports from Argentina totaled $31.3 million, resulting in a $95.1 million surplus for Peru.

GOVERNMENT EXPELS PRESUMED M-19 MEMBERS

PY152333 Paris AFP in Spanish 1540 GMT 15 Mar 86

[Text] Lima, 15 Mar (AFP) -- Lima airport authorities today reported that two Colombian citizens, presumed members of the M-19 guerrilla organization, who entered Peru 2 weeks ago seeking asylum, left Lima yesterday on the orders of the Peruvian Government. The suurce stated that Mario Restrepo Bardon and Hernando Calvo Ospina and their Ecuadorean wives and young children left for Madrid accompanied by an official of the United Nations Office of High Commissioner for Refugees (UNHCR). Unconfirmed reports have stated that the Peruvian Government ordered them to leave the country and that an unidentified European country has agreed to accept. The Colombians, whose departure was witnessed by many, refused to make any statements.

BRIEFS

SARDINE FISHING SUSPENDED -- As of 15 March, sardine fishing will be temporarily suspended according to a resolution issued by the Ministry of Fisheries and published on 8 March in the GAZETTE. The resolution states that the measure will be enforced until results are obtained from a study by the Sea Institute of the Evolution of Sea Resources. It was also noted that the measure was enforced to allow the biomass to readjust itself. [Text] [Lima Radio del Pacifico in Spanish 1200 GMT 10 Mar 86 PY]

LUSINCHI SPEAKS TO CONGRESS ON ECONOMIC MEASURES

PA140641 Caracas Television Service in Spanish 0000 GMT 13 Mar 86

[Text] Venezuela will resort to the contingency clause to request a broad revision of the terms agreed upon and adjust them to our true paying capacity. President Jaime Lusinchi made this important announcement during his speech to the country at the National Congress. He also asserted his government's willingness to restore economic guarantees when they are necessary for the people's social good.

Lusinchi arrived at the National Congress and clearly said he did not have the intention of delivering a boring speech. At the beginning of his message, he said he would try to change the tradition (without defaulting on the duties imposed on him. He really had some success in this because he made a number of remarks and summed up proposals in 1 hour and 7 minutes, while heads of state usually deliver very long messages at the National Congress. To start with, he pointed out some achievements during 1985. He explained that no reactivation has really been attained in the construction sector, as well as in other sectors dealing with commerce and services. He said that the achievements are not entirely satisfactory, yet he indicated some of them that, in his opinion, have been consolidated.

[Begin recording] Particularly important are the results obtained in 1985 by the agricultural andindustrial sectors, which have attained a growth they had not achieved in more than 6 years. This growth reached 7 and 3 percent respectively in these sectors. Particularly significant is the improvement in agriculture. This has helped the country make considerable savings in foreign exchange and assisted Venezuelans to return to one of the fundamental activities of our agricultural and economic tradition. [end recording]

Later, the president mentioned the foreign public debt and its refinancing. In the first place, he said that not a single dollar of the foreign debt was contracted for by his government. Then, he reiterated what he has said at other times, namely, that it is necessary to refinance the public foreign debt because this refinancing makes possible smooth financial relations between Venezuela and other countries. In addition, he pointed out that the country will resort to the contingency clause.

[Begin recording] We will now invoke this clause with full right and all moral force. [applause] We did not deceive anyone. We had clearly advised our creditors on this. We will invoke the contingency clause because now the contractual legal base has been established and additional documents have polished it. Prior to this, we had been under the arbitrariness of lax and generalized interpretations. Now it is legally, morally, and economically possible. We borrowed money because of our oil and we will pay our obligations with our oil revenues. [applause] [end recording]

During his presidential message, the president mentioned the work of the commission for reform in Venezuela. He clearly referred to the relationship between society and state. He indicated that the state requires a change of course. He said: In this country, everybody thinks that the government has everything and can do everything. But this is not so. Later, he mentioned the relationship between social sectors and the Venezuelan state.

[Begin recording] Many demand honesty and at the same time corrupt public officials. [applause] Others demand [applause] management efficiency, and their pressures hamper decisionmaking. There are some who demand consultations, but they only want to be consulted exclusively. Many protest, [applause] many protest for the state's intervention and harass organizations and officials with demands for regulations, protection, credits, or privileges. [applause] There are others who say they understand the state's change in its clientele concept, yet they base their power and prestige on their getting posts for their friends, fellow party members, or relatives. The objective, then, must be to cleanse the situation and set up a different relationship in which genuine rights, merits, and abilities guide relations between citizens and the state. [applause] [end recording]

These type of vices would disappear with the reforms made through the commission designated by the president. Other types of achievements would also be attained.

The president also mentioned the commission's recommendations regarding the restoration of economic guarantees. Specifically, he said: We are in a position of admitting the convenience of this restoration. This takes into consideration that the Constitution clearly establishes the state's power to regulate, as necessary, for the social good.

The president's message also included part of the national government's future strategy in the coming years. He said that, within the strategic plan on a short- and long-term basis, consistent action will be carried out to get financing at adequate terms and reasonable interest rates from multilateral financial intermediaries, specialized financial institutions, and capital goods suppliers. In addition, and in future plans, he said that a policy to rationalize imports will be implemented. This policy will be linked to a process or organic substitution that will foster development of the country in a framework that fosters our production's international competitiveness. The president also expressed the need for the private sector to participate by generating this reactivation, and he added that new investments will be necessary. He indicated that these new investments always entail a risk that businessmen sometimes are reluctant to take.

[Begin recording] Too many times we have heard the clamor for a decrease in the levels of risk and uncertainty to promote private investment. This may seem fair; however, we must not forget that the true and real businessman is the one who takes risks, not the one that invests with the absolute guarantee that he is carrying out a profitable operation. In the future, my government's promotional efforts will be for the real businessman, who is creative and progressive. [end recording]

The situation and aspirations of the workers in our country was another topic mentioned by President Lusinchi in his speech. He referred to the establishment of a national union, in accord with the type of industry [as heard], indicating that it is important to allow its establishment and to gurantee a more equitable distribution of profits. He said it was necessary to increase the presence of the workers in the economic process. We must consider laws to strengthen such actions, President Lusinchi said. He also referred to a labor problem which the Confederation of Venezuelan Workers CTV, has presented.

[Begin recording] We suggest that it be resolved through agreements between the CTV, the business sector, and the state, to establish pilot plans, which would be subject to a careful, previous study, and the training of personnel indispensable for carrying the plans out. Based on the result obtained, we could think about a second phase in extending our experience through an appropriate legal instrument similar to the one demanded by the workers in state enterprises and economic organizations and approved by Raul Leoni [former Venezuelan president, now deceased] who was a statesman of great social sensibility. [end recording]

Another topic which has to do with Venezuelan society, precisely with improvements in the social and education areas, was also discussed by President Lusinchi. There is one very important aspect which has to do with the very serious poverty that exists in our country. He said that the main objective of his social policy is precisely to face the poverty problem. He said that this is an obligation and an economic need.

[Begin recording] Poverty and destitution is a form of waste of human resources. In addition to being a handicap for full economic development, poverty is a moral problem. A society incapable of taking care of itself and developing a deep sense of solidarity toward the less fortunate, both in an economic and a social sense, is a society that is becoming dehumanized and undermining its own survival. [end recording]

What is happening in the Armed Forces was an issue also tackled by President Lusinchi in his speech. In this respect, he said that the austerity measures applied to state organizations are also being applied to the Armed Forces, the difference being the need to provide the arms needed for the defense of the nation. The president also referred to criticism and unfounded charges made against members of the Armed Forces.

[Begin recording] I am also worried about the attacks, false reports, and statements without any restraint or reason against the honor of distinguished members of the Armed Forces. Such actions and publications not only harm the officers unjustly attacked, but also hurt the entire institution, which has given sufficient proof of its worth and honesty in its actions in accord with the Constitution and laws.

As commander in chief, I reiterate my trust in the Armed Forces and support the motion to call a military court to add to the respective records these kinds of reports and statements, and to process them to seek the truth according to existing legal norms. It will be up to the military courts to examine them and make a statement either to acquit the innocent or to punish the guilty. [end recording]

Before leaving congress, President Lusinchi greeted a number of persons who were present, who returned his greetings in a very warm manner. On departing, his vehicle formed part of a motorcade, but a few blocks later, he got out of the vehicle and walked to Miraflores Palace, where a toast was given to celebrate the second anniversary of President Lusinchi's administration.

REPORTAGE ON LABOR CODE CHANGE, STRIKES, VIOLENCE

Assembly Approves Amendments

PA162305 Panama City Circuito RPC Television in Spanish 2200 GMT 16 Mar 86

[Interview with Assembly President Camilo Gozaine by reporter Julio Miller following the 16 March Legislative Assembly session -- recorded]

[Text] [Gozaine] We, the legislators who raised our hand, have been the ones who have alwyas followed the Torrijos line and who have always felt that an action such as this would never have been possible had it not been that we felt it was much more important to put the welfare of Panamanians over our political principles. I think that all the legislators have felt much apprehension today. However, I do feel that we have fulfilled our duties as Panamanians.

[Miller] The labor sector refuses to accept the amendments. Do you, as president of the Assembly, feel that the approval of these amendments will unleash some protests?

[Gozaine] I think and feel that the National Council of Organized Workers, Conato, and other national organization leaders will continue their actions and attempts to halt the country's economy. We have reached an agreement with the government workers. They decided not to strike on 17 March.

This is something that we have won. I do feel that Conato must reconsider its stubborn stance because we are also giving something for the good of Panamas' future. We are paying our dues and I think they should remember that on several occasions we have also favored them.

[Miller] Mr President, regarding the other bills presented which are also being opposed by the industrial and agricultural sectors, what will be done?

[Gozaine] Tomorrow we will receive the reports from the majority and minority commissions. We will proceed to approve those two bills and once approved in first debate -- this is being done today -- we will present them before the assembly. I think we can have this ready by Tuesday afternoon.

Delvalle on Bills, Conato Talks

PA141917 Panama City Televisora Nactional in Spanish 1730 GMT 14 Mar 86

[Text] President Eric Arturo Delvalle made an interesting statement this morning to this television station after having met in the Legislative Assembly with deputies of the governing parties coalition.

[Begin recording] [Delvalle] I was talking with all the legislators of the governing parties to find out what changes were made by the various commissions.

Last night there was a first debate on the labor and agricultural and livestock bills. Positive changes that will improve the bill were made, and I am glad that these changes were made because what we want is to have good laws and for the people to realize that we make the laws, that our advisors and economists make the laws that are then reviewed by legislators from both the governing parties and the opposition. The changes will make these better bills. These are Panamanian bills. They are not World Bank or IMF bills.

[First unidentified reporter] Mr President, the health sectors that have been on strike for the past 15 days have stated that they don't want to negotiate with the health minister, that they want to negotiate directly with the president. Have they approached you regarding this dialogue?

[Delvalle] Not at all. The have said that they don't want to negotiate with the minister because of their chemistry [asunto de quimica], but we have a health minister, and if they have a chemistry problem then perhaps those who have that problem should withdraw and make room for others who could negotiate with the minister to resolve the problem of all the doctors.

[Second unidentified reporter] Mr President, the negotiations with Conato failed yesterday. What mechanism will be used now and what will be the future of the negotiations?

[Delvalle] I would not say that the talks with Conato failed. We exchanged points of view so that they may be able to see what we really want to do as well as the purpose of the laws we want to pass. These laws will not harm any worker having a job right now. On the contrary, what we are trying to do is encourage the creation of new jobs by giving some flexibility to some production measures and salaries, by giving the possibility to pay by the job. As I said recently, businesses and workers with a collective contract right now enjoy the benefits we are proposing. We are not trying to harm anyone. In my opinion, Conato has a serious misunderstanding. I once told them that we would work on the reforms from Zero. I said it on that occasion, and I repeat it now. What I meant to say is that we had discarded a 24-article project that at that time was being considered as the possible reform to the labor code. We have prepared a more simple project. This one has eight points. We presented it to them for their consideration. They have not wanted to engage in a debate on this, which is what is done in democracies where people debate ideas at the legislative assembly to enrich bills with changes, which is what we had to do with our legislators and the opposition legislators only because the workers chose not to participate. [end recording]

One Killed in Disturbance

PA151431 Panama City LA PRENSA in Spanish 15 Mar 86 p 1

[Excerpt] Last night, after the march carried out by Conato unidentified groups roamed Avenida Central engaging in vandalistic actions and destroying the windows of stores and public offices.

As a result of the vandalism, which lasted several hours without the many units of the Defense Forces of Panama, FDP, in the area being able to stop them, one person was shot and killed and an undetermined number of people were either wounded or arrested.

The dead man has been identified as 22-year-old "Yito" Barrantes Mendez, who was shot at close range by FDP agents in the Santa Ana neighborhood area. He died at midnight in surgery at Santo Tomas Hospital.

Explosions in Capital

PA160130 Panama City Televisora Nacional in Spanish 0000 GMT 16 Mar 86

[Text] The capital experienced dramatic events this morning when it was confirmed that explosive devices detonated in various locations in the city. Journalists learned that several devices exploded at El Machetazo department store, El Pote restaurant, the general comptroller's offices, and on several streets. G-2 members combed the city in an effort to detect the location of other explosive devices.

Threats of other explosions at Gago supermarkets and other grocery stores have been received. Members of the special security organization have not yet been able to determine who placed these bombs, but they have determined that they are paramilitary groups with equipment and arms, in some cases similar to the ones used by the Defense Forces. The community is very concerned and in their calls to this television station, people have reported fear in many Panamanian homes. They hope peace will prevail in the community.

Nestle Workers End Strike

PA141621 Panama City LA REPUBLICA in Spanish 13 Mar 86 p 1

[Text] At closing time for this edition, we were told that Nestle Company workers, who had been on strike for 72 hours, decided to lift the strike. In fact, SITEA [expansion unknown] workers and tomato growers of Villa de los Santos told temporary and permanent workers that they can resume normal work beginning today, 13 March. Tomato growers were losing approximately $75,000 a day because the workers decided to support the Conato strike, they occupied the labor union office yesterday and held workers who were there at the time.

PAPO Communique

PA141906 Panama City EXTRA in Spanish 14 Mar 86 p 7

[Communique of the Panamanian People's Action Party, PAPO, date not given]

[Text] PAPO reiterates that the current socioeconomic conflicts could have been avoided if we had implemented an institutional and democratic political solution after 17 years of military government. If we had held a national constituent assembly and if today we had a constitution of all Panamanians and a legitimate government, we would be able to face with dignity and unity the crisis that we are suffering and that is dividing us. We would be acting as in Peru, with intelligence and honor, but never submitted to the usurious intervention of the international financial organizations that have acquired the practice of dictating to governments the antinational measures that will enable them to recover their loans.

The government's legislative initiatives in the agricultural, industrial, and labor sectors will have their immediate and announced effects: instability of prices in the Panamanian society. As a result of the loss of historic and century-old achievements by the workers such as the 8-hour work day, class contradictions will gain momentum as the basis for the objectives of the workers and the concept of collectivizing the means of production will gain more supporters among the labor class.

It is not too late to take the measures that are desirable for everyone. Let us convene a constituent assembly. Let us achieve national peace, as in Peru, Spain, and so many other countries who acted with intelligence in their moments of transition. Let us achieve a democratic, stable, and realistic democracy and then afterward let us involve the country in a struggle for power. The force that achieves legitimacy to govern will have sufficient support to call for efforts and sacrifices in favor of policies on national recovery and we will successfully meet the hard challenge that the Panamanians are facing today.

However, if what is best for the national interests continues to be evaded, Panama will then be condemned to experience the calvary of the people of Haiti and the Philippines, and of all those who shook off their military indignities by fire and sword. Those responsible for those stormy episodes will be those who today continue to usurp power and who carry out illegalities in leading the ship of state. History cannot but point to their responsibility.

Riot Squads Enter Companies

PA141624 Panama City EXTRA in Spanish 14 Mar 86 p 16

[Text] Yesterday morning, in an action to intimidate workers supporting the indefinite strike called by Conato, the National Guard burst into private companies, including Tropigas, La Estrella Azul, and Nestle to force workers to go back to their jobs.

Riot units in combat gear went to those companies to try to break the indefinite strike, entering its fifth day today. This situation angered the workers. A clash with the "military invaders" almost ensued.

Conato's top leadership rejected such attitudes, and went to the above mentioned companies to calm the union workers.

Questioned by EXTRA, Rolando Ordonez of Conato labeled the action by the military against workers as one that generates violence. Upset by this action, the labor leader said: "I am sure that the workers are no longer going to be in their job areas, we are going to be out in the streets. [quotation mark as published]

Chamber of Commerce Document

PA142012 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Mar 86 pp 1 A, 16 A

["Text" of communique issued by the Chamber of Commerce, Industries, and Agriculture of Panama on 13 March]

[Text] As a consequence of the improvisation of public affairs, of the lack of respect of individual rights, of the lack of a strict observance and enforcement of the National Constitution and the laws, of the constant corruption in handling privileges and favoritisms that are contrary to the best interests of the nation, the country is being shaken by a serious crisis and one that has been affecting us in recent years.

The problem affecting our country cannot be considered by isolating its causes, without considering it in an overall manner to solve the fiscal crisis. We will not solve the problem by issuing laws that partially regulate the labor, industrial, and agricultural sectors.

Our constant calls for a broad dialogue without any set conditions have been received with attitudes that are not constructive, calm or nationlist, which is what the country needs. Therefore, the Chamber of Commerce, Industries, and Agriculture of Panama wishes to state the following:

It is necessary to establish dignity, respect, and credibility within the entire government apparatus as soon as possible.

The three draft laws presented to the Legislative Branch should be rejected because, far from correcting errors of the past, they tend to confuse the normal development of everyone.

All political, economic, and labor sectors should be called -- once and for all -- to a broad national consensus, without impositions or conditions.

[Issued by the] Chamber of Commerce, Industries, and Agriculture of Panama on Thursday, 13 March 1986.

Mauro Zuniga Leads Attacks

PA151537 Panama City CRITICA in Spanish 15 Mar 86 p 1

[Text] Dr Mauro Zuniga, president of Amoacss [Association of Doctors, Odontologists, and Related Professionals of the Social Security Fund], yesterday afternoon led a band of 60 thugs, which included doctors acting as bodyguards, that caused serious damage to businesses located in the area between the Don Bosco Church and 5th of May Plaza. The notorious doctor personally led yesterday's attacks on the Chamber of Commerce and on businesses located in the Calidonia sector. The vandalistic actions took place shortly after the conclusion of the orderly and peaceful march that the workers carried out yesterday.

In his desperation, the Amoacss leader has been carrying out a series of violent actions befitting a maniac. Yesterday morning, Dr Zuniga went with a group of doctors to the Specialized Polyclinic. They were carrying pistols and machine guns. They issued a death threat against Dr Felix Pitti, the director of that health center. Seeing that the provocative action he carried out yesterday morning, apparently to promote acts of violence throughout the country, did not work, Mauro Zuniga appeared in the afternoon with a group of doctors to cause destruction in some local businesses owned by people Zuniga claims he is defending and who on some occasions have given him money for his seditious activities.

Ministers Discuss Code

PA160043 Panama City Televisora Nacional in Spanish 0114 GMT 15 Mar 86

[News conference with Jose Bernardo Cardenas, commerce and industries minister; Jorge Federico Lee, labor and social welfare minister; and Bruno Garisto, agricultural development minister; moderated by Jose Cardona Mas; questioners not identified -- recorded]

[Excerpts] [Question] Minister Cardenas, I also wanted to ask you to what extent is Panama's access to fresh money on the international market conditional upon the approval of this package of amendments?

[Cardenas] The notion of fresh money has been raised in newspaper, radio, and television reports, and in statements made by some people who, perhaps, are not involved with this issue. The receipt of fresh money does not have to be conditioned on anything, nor is fresh money part of the program of economic revitalization of the country. Panama has to revive itself economically whether there is any need to refinance its foreign debt. The problem of the debt involves a financial commitment which Panama must address address through a refinancing plan.

The program for economic revitalization stems from the fact that Panama must generate new products and additional income to meet its domestic commitments, not only its foreign commitments. As an applicant for credit, Panama is like any individual or business concern. When it goes to a bank it must submit its financial statements and its financial policy to be cosidered creditworthy. This forces Panama, all Latin American countries, and all developing countries to draft their own programs. Panama's program is a program for and by Panamanians. Costa Rica, El Salvador, Nicaragua, Mexico, Argentina, and Chile have their own programs. However, this program is for Panama and does not involve obtaining or not obtaining new sources of money. It involves the solution of Panama's internal problems and meeting the needs of its citizens and community.

[Question] I am convinced that at this moment the large television audience must be thinking that if all you have said is so positive and so beneficial to the country's working class and the unemployed, then why don't the working class and, fundamentally the Conato leaders understand them?

[Lee] The issue of the amendments to the labor code is really an emotional one. Some labor leaders believe that defending the labor code means not letting even a single comma in it be changed. We feel that it is exactly the opposite; that there is not a single law that is more important or dynamic; and that there is not a single code more revolutionary than our labor code. For this reason, this code must be responsive to the country's economic situation at all times. It must also be responsive to the needs of the country's population at all times. In the case of Panama's labor code, it is evident that our country's situation in 1986 is not the same as it was in 1972. In all other Latin American countries where there are labor laws it is acknowledged and admitted that those laws must be amended.

For example, in Cuba where the socialist government created the first Cuban labor code last year, there is a clause that points out that the code must be periodically reviewed so that it will respond to the country's needs. In Venezuela, a capitalist country, former Christian Democratic President Rafael Caldera who participated in the preparation of the general labor law 50 years ago is now presenting a new general labor law to the Venezuelan Senate that would modify the previous law. This is what is happening in countries throughout the world. Labor laws must be reviewed periodically so they can fulfill their objectives. The law was not made to be put away in a library. The labor code will be dynamic and it will fulfill its goal to the extent that we update it.

It is useless to have a well worded, nice, idealistic law if in practice it does not generate jobs. This is what has happened with Articles 232 and 233 of the Labor Code which regulate jobs performed at home. In the past 14 years not one job in the home has been created in our country. Therefore, as I said, it is not a matter of bringing new elements into the Labor Code, it is a matter of making the elements in the Labor Code give the desired results in practice: that the code create jobs and serve to improve the labor situation and the income level of all workers, not only the workers protected by a collective convention.

[Question] Which articles are creating a conflict between Conato and the Labor Ministry?

[Lee] The position adopted by Conato leaders is that they will not discuss any modification of the labor law. They do not want a single comma in the labor code touched. We feel that this is not the way to fulfill labor union leadership. We feel that mature leadership would lend itself to a calm and objective analysis of the bill to decide whether it is favorable to the workers, and whether it is favorable to the unemployed. And if it is concluded that the bill is beneficial, mature leadership would have the courage to accept this and explain it to the membership. This is true labor leadership.

Leadership is not to say no to everything, nor is it to adopt the ostrich's policy of hiding one's head in response to the country's serious problems, saying there is no unemployment in Panama. There is unemployment in Panama, as well as poverty and poor classes. We must do something now. It is true that this poverty is not noticeable because, fortunately for our country, there are still conditions that allow unemployment persons to fulfill their basic needs through their families. If we do not do something now, in the near future we will have a serious problem that we will not be able to solve.

PRT COMMUNIQUE REJECTS DEVALLE ECONOMIC PLAN

PA141507 Panama City LA PRENSA in Spanish 13 Mar 86 p 3

[Text] The Panamanian Workers Socialist Party issued a communique yesterday to the citizenry to categorically reject the so-called economic plan proposed by President Eric Arturo Delvalle because the plan does not provide a solution to the pressing problems affecting the country.

The communique added that on the contrary, such a plan is a list of measures aimed at paying the foreign debt once it is enacted. As a result, the entire nation will be greatly dependent on the transnational companies and international financial monopolies.

In its communique, the Revolutionary Party of the Workers, PRT, stated that "it cannot remain silent and just as we did during the 1984 electoral campaign, as a member of the United People's Electoral Front, FREPU, we are proposing to the nation an alternative solution to the crisis, which even though it is very difficult, is the only solution that will take care of the needs of the working and exploited majorities in Panama."

The communique states that in the first place, it is necessary to point out that the current economic disaster is not "worldwide," as it is commonly said. It is a crisis fundamentally affecting countries with capitalist economies or with "free enterprise," as some like to refer to it.

The PRT feels that it is worth pointing out that although the national government has handled public funds with scandalous immorality, this sort of behavior cannot be blamed as the main cause of the current disastrous economic situation.

The true causes for this crisis are other reasons, the PRT communique stated. The communique stated that the country's economy, as the economies of any capitalist country, has been set up to benefit the owners of companies. "For that reason, the decisions regarding investments and generation of goods and services do not generally fulfill the needs of the people, but rather the needs of everything that produces the highest profit possible. For this reason the main part of the economy has been set up to serve the interests of the large companies of the developed capitalist countries."

In another part of its communique the PRT says that it realizes that the current crisis is the result of traditional structures that have been maintained in our country to serve the rich and the powerful, and for the benefit of the giant transnational enterprieses. Therefore, it is absurd to try to overcome or solve them by maintaining the same structures and to meet the demands of a banking system which has promoted and maintained it. It is like trying to take care of a patient suffering from emphysema who has not quit smoking and at the same time to attach the salary of the dying patient in order to pay those who sold him the tobacco on credit.

The communique says that the problem must be faced with courage, and the real causes should be attacked. To do this it is necessary to implement an economic program whose main objectives should be to solve the needs of all Panamanians, discarding any attempt to keep on playing up to the same social classes whose only concern has been their unrestrained desire to gain wealth, at the expense of the sweat and work of the majority of the population, with the support of the international sharks, who are today threatening our right to live." [quotation mark as published]

The PRT says that this strategy requires the implementation of a series of actions which will bring about deep changes to the present situation. Among which the most important are:

1. To create and promote economic sectors to produce goods and services necessary to meet all our needs for food, clothing, education, health, housing, transportation, and entertainment. It would mean building up the already existing enterprises and establishing new ones that are needed and that can be developed with the resources we have in the country.

2. To increase our economic resources to promote and develop production.

3. To organize the peasants who are acting individually to form cooperatives for production. This will require an ample and profound agrarian reform process and land distribution plan to those who work the land.

4. To organize state workers, maintaining administrative and public service jobs that are strictly necessary and assigning the rest to state enterprises whose duties are to satisfy the people's basic needs.

The communique adds: The PRT realized that these measures, which do not reflect the interests of the great national and international capital, would be violently rejected by all political parties and local business organizations that represent such interests, as well as those foreign governments that militarily maintain those interests of the great capital around the world.

In this regard, the communique also states that our party believes that one of the immediate measures that the great international capital, in reaction to this strategy of popular and nationalistic development, would implement is a blockade on our loans; in addition, the U.S. Government would cancel its current monetary relations with Panama, which would in turn force changes in our monetary system.

The popular movement must now coordinate its struggle. To that end, Conato, the National Federation of Associations and Organizations of Punlic Employees , popular and democratic political parties, and democratic sectors of the Coordinating Board for National Civilianization must seek formulas leading to an agreement by leaving aside sectarianism and subjectivism.

Only this patriotic resistance struggle involving the national majority will prevent the sellout of the country to the arrogant abuses of international finance.

PDC LEADER ON COUNTRY"S NEEDS AT PARTY CONGRESS

PA120403 Panama City LA PRENSA in Spanish 10 Mar 86 p 1

[Article by Allan Perez and Rogelio Herrera]

[Text] For Panama to return to the path of democracy, it is necessary for the Defense Forces of the Republic of Panama, FDP, to assume their position as a professional institution that is subordinate to the executive branch and is divorced from partisan politics. as the Constitution demands, Ricardo Arias Calderon said yesterday during the celebration of the eighth national congress of the Christian Democratic Party, PDC.

Arias Calderon said that for this to occur, it is necessary to have a law that regulates military and police service according to constitutional criteria, to create a ministry of defense and public security, and to have the FDP led by people who, by virtue of their integrity and professionalism, are committed to the realignment of the FDP within the institutions of a legal democractic regime. Prominent figures of local and international political spheres participated in the congress, including Guatemalan first lady Mrs Raquel Balndon de Cerezo, former Venevzuelan President Luis Herrera Campins, San Salvador Mayor Antonio Morales, and Costa Rican Deputies Rolando Lacle and Daniel Chaverri.

Addressing the congress, Mrs Cerezo said: "We have to break the circle of violence that is blocking the path of the peoples who want democracy and peace and who are against war. I hear cries for unity and justice at this meeting, and I want to tell you to continue on that path, because the path does exist. Unity and justice are the key words."

The participants in the congress and guests attended a mass at the San Juan Bautista Cathedral, held a press conference at Mr Hatuey Castro's house, and finally gathered for the congress, which began at 1115.

Ricardo Arias Calderon told LA PRENSA that the congress was being held in Chitre "to express solidarity with the national demand for justice in the case of the savage beheading of Dr Hugo Spadafora. Chitre was wounded to the core by that action and the country's soul has been pierced. We came to say: "We are with you." In his political statements, Arias Calderon offered to discuss the country's democractization with General Manuel Antonio Noriega. He stressed: "I would ask the current FDP chief to publicly discuss the democratization of our people and the necessary role of the FDP anytime and anywhere he wishes. I do not say this a challenge, but I say it with the zealous desire to put Panama first, second, and third."

Arias Calderon mentioned the fraud in the 1984 presidential elections and the economic and fiscal crisis of the last few years, with no government plan to reactivate the economy or national development. He noted the increased militarization in the country and reaffirmed his pledge to struggle for democracy and a better life.

Regarding the distribution of public resources, Arias Calderon said that they should be used primarily to provide basic services for the poor, and for public investments that generate more jobs, while less priority should be given to military expenses and wage increases and to entertainment and advertising allowance.

Regarding the agriculture sector, Arias Calderon said that the policies in this area and in the industrial sector should encourage a larger contributionto the GNP. He added that these policies should be in consonance with the real national conditions of finance, production, and marketing to achieve a balance between the public and private sectors.

Regarding the labor code, Arias Calderon, the top leader of the Green Star Party, PDC, said that instead of being drastically changed, this code should include regulations making productivity the criterion in dismissals, and the labor ministry should be reorganized.

As an incentive to economic activity, for the benefit of all Panamanians, gas and diesel prices, the price of other oil derivatives, and the fuel clause that has been added to electricity charges should all be reduced in proportion to the reduction in the price of a barrel of oil, Arias Calderon added.

Arias Calderon also said that the most urgent task for the country is to return to the path of democracy, not just with words, but with actions. Arias Calderon said that it is urgent for the country to establish a new government that has the true support of the people and that, therefore, has the authority and the power to carry out the final transition to a true democracy. He ended his speech by saying that, no matter how difficult the present circumstances are, the PDC is the party of hope and the party of all Panamanians who want democracy and a better life, as hope that is becoming a reality through a peaceful struggle.

EDITORIAL COMMENDS NEW AMBASSADOR TO U.S.

PA150003 Panama City MATUTINO in Spanish 14 Mar 86

[Editorial: "Positive Beginning for a Diplomatic Endeavor"]

[Text] The post of Panamanian ambassador before the U.S. Government and people is no easy task under the present circumstances. Various factors affect the diplomatic, commercial, and political ties of the two nations and generate a number of reactions that in some way hinder the delicate task of the person entrusted with such a complex mission.

The interpretation and application of the Torrjos-Carter treaties, the source of frequent arguments, is one of those factors in addition to others such as the foreign debt which is currently a cause of great concern.

Despite such circumstances, the Panamanian Embassy in the United States has been working wisely, patiently, and skillfully to establish its position in the difficult high levels of U.S. political and financial life, as well as in Congress, the Senate, and the Pentagon, which bear the leading responsibility for that northern nation's institutional life.

According to information revealed concerning the credentials presentation ceremony of our ambassador, Engineer Dominador Kaiser Bazan, such a task has had a promising beginning, as implied by the statements of President Ronald Reagan at the ceremony, which took place in the White House. Although elementary diplomatic courtesy dictates that at such an event the phrases expressed therein should carry praiseful tones from both parties, there is no doubt that the statement by the U.S. chief of state expressing his desire to help Panama's development plans, promoted by President Delvalle, are highly encouraging.

Just as promising are the objectives of our ambassador before the White House to enter the difficult centers of that country's highest government levels. However, what seems of highest importance to us in the contents of the information concerning the initial steps of the new ambassador to the the United States is high statement noting that Panamanians must convince themselves that it is not the members of the Senate or Congress who follow a line adverse to Panama's democracy and policy. In that respect, our country must adopt a cautious policy, which will not generalize its negative appreciation of the members of those two U.S. bodies because if there are some congressmen who are opposed to us, there are also others who, with a clear and objective view, know the truth about Panama and grant us the credits our country deserves in those aspects questioned by our adversaries. With such level-headed criterion, our country will improve its image, particularly if it follows the guidelines that are so wisely being observed nwo by the new Panamanian ambassador to that northern nation.

COSTA RICA

MINISTER EXPLAINS SOVIET NOTE ON EXTRADITION

PA141326 San Jose Radio Reloj in Spanish 1200 GMT 14 Mar 86

[Text] The Soviet Government has not requested the extradition of Koziy Bogdan, a Ukranian.

Foreign Minister Carlos Jose Gutierrez has explained that a note presented by the Soviet Embassy on the Ukranian was not an extradition request. Extradition requests must be processed in accordance with the extradition law, and this requirement was not met by the note from the Soviet Embassy, the foreign minister noted. In spite of the fact that there is no extradition treaty between Costa Rica and the Soviet Union, if a formal and adjusted-to-the-laws request is presented it is sent to the Supreme Court of Justice for processing, but so far this formality has not been met by the Soviet Embassy.

A few months ago the media reported Koziy's presence in the country. He has been accused of having committed war crimes in his country. The Ukranian, however, has emphatically denied he is involved in such actions and has charged that an effort is being made to link him to someone who has a similar name since he was not in his country during the war.

The Ukranian's fate will depend on an extradition request from the Soviet Union, something that the government of that country has not yet done formally although 2 days ago it sent a note to the Foreign Ministry saying that it would appreciate if processing for the extradition of Koziy would be initiated.

EL SALVADOR

COSTA RICA'S ARIAS URGES COOPERATION FOR PEACE

PA151908 Hamburg DPA in Spanish 0037 GMT 15 Mar 86

[Text] San Salvador, 14 Mar (DPA) -- President-elect Oscar Arias Sanchez said today in San Salvador that we must strengthen democracy in Central America and regretted that Nicaragua has become another Cuba.

Arias Sanchez visited President Jose Napoleon Duarte this afternoon during a brief stopover in San Salvador as part of a tour he is making of the area to personally invite the chiefs of state to his presidential inauguration on 8 May.

Arias Sanchez said that he and Duarte analyzed the political situation in Central America and the continent and that both agreed that only by fighting social injustice will it be possible to strengthen democracy and to fight communism.

Arias Sanchez said that he has "the flame of hope that Latin America will unite to ask Nicaragua to agree to a peace proposal." From the point of view of the Costa Rican future president, Nicaragua has not fulfilled the promise it made in 1979 to turn that country into a democracy and into a new nation, and has instead taken a different road.

Regarding the peace proposal of President Duarte, a proposal calling for a simultaneous meeting between the Nicaraguan rebels and the Nicaraguan Government and between the Salvadoran rebels and the Salvadoran Government, Arias Sanchez said he supports this initiative. "Costa Rica does not have an army, and we are a neutral country, but this does not mean we are indifferent toward what is happening in Central America," he said.

He concluded by saying: "I believe that all of us must contribute to the search for peace in Central America without stubbornly sticking to rigid positions, but by trying to be understanding."

D'AUBUISSON PRESENTS VIEW OF ECONOMIC MEASURES

PA160148 San Salvador Channel 2 Television in Spanish 0300 GMT 12 Mar 86

[Speech by Major Roberto D'Aubuisson, leader of the Salvadoran Nationalist Republican Alliance, ARENA; date and place not given -- live or recorded]

[Excerpts] Fellow party members, Salvadoran people, comrades of the Armed Forces:

Our great party, through me, again appears before you, Salvadoran brothers, so that tonight we can discuss the grave crisis we are experiencing. As a political party, as a political organization, and as the largest opposition force, we have the constitutional duty of defending our people.

Hoping to save our homeland, more than 600,000 Salvadorans freely cast their votes for our great party. That is why we who lead the great ARENA are dutybound to come out in defense of our people. The Salvadoran people are represented through the thousands and thousands of votes of the ARENA members. They include peasants, market women, workers, the private sectors, everyone, all those of us who produce and make up the active sectors and who placed our hopes on the democratic system through our votes. That is why, I repeat, we have to defend our people in the face of the unwise measures that the current government is taking.

How much they have offended us! All of us, those of you who are listening to me tonight have felt this when we have seen on television, in the press, and heard on the radio the communiques of the gentlemen of the Christian Democracy and the gentleman [Duarte] of the big house. I say that they have offended us because we saw, heard, or read them and we felt that impotence, that indignation, that frustration when we saw them treating us as if we were ignorant, as if we were their lackeys, and as I said in the previous program, as if this were the ranch of that gentleman of the big house.

With such contempt, they brazenly state that with the increase in gasoline prices and everything else, our cost of living will go down. Remember that I told you in the previous program that you should save the newspaper page where they published the prices. Look at the reality now. Look at the reality, Salvadoran brothers. Look where we are going. The increase in the cost of living is not the only dangerous thing. The emerging unemployment and that political vacuum I mentioned are also dangerous. That political vacuum that I mentioned is one of the topics we will discuss in this program.

I am explaining this because some officials of the party in power said that the previous program was somewhat aggressive against the president. What about our feelings? Didn't you Salvadoran brothers listening to me feel angry, furious, and frustrated when we heard all those strings of lies and explanations? We are the ones who should feel insulted.

I want to remind that gentleman of the big house and all his clique in the government about a slogan of our Armed Forces, slogan that in the past was prominent in almost all the garrisons: When the superior loses his mind, the subordinate loses respect for him. We are not offending, the Salvadoran people can never offend the government. The government is the one that has offended us. The government is the one that has lost its mind. What is happening is that the people have lost respect. It is lamentable and unfortunate for our dear El Salvador that in view of the fact that foreign forces imposed on us the communitarian [comunitarista] system of Christian Democracy, we have gotten stuck with Mr Duarte being in charge of Salvadoran problems. How lucky the guatemalan brothers are! Although I do not agree with the Christian Democratic views, at least they have a real leader like Vinicio Cerezo, a man who is truly immersed in the doctrine with which he began his career so many years ago, the Christian Democratic program. That man is a real leader. That man is truly working for his people. At least that is how he has started. But how pitiful is the one who has been presented to us here as the best leader of Christian Democracy.

I repeat again -- even though it is no longer extremely important because it is inevitable -- that we should remember and compare what Mr Duarte said about prices not going up. How are the prices of fuels, cement? However, that is not so important. What is important is the shortage of the famous basic family basket. There is a shortage of everything that we used to produce or which was found here. What happened to the decisions for the agricultural year that is near? Where are the rules of the game? That is what we are asking for. Mr President, that does not mean that we are offending you. We are not offending you, sir, if we tell you we want to work. If that offends them, then they will constantly feel offended. Where are the rules of the game so that we can work this agricultural year? How will we work to produce the basic grains of the famous basic basket that they mention so often? How can we generate work and productivity? How can we get out of the gully that the famous team of oxen that pulls this wagon has gotten us into? They do not want to say anything about this, and that is dangerous. That is the essential topic that we will try to focus on throughout this program.

Tell me Salvadoran people, aren't you enraged to see the response after all that the people, after all that we have been demanding from those in government, after we have been demanding that they change, that they react in view of the negative measures they are taking? With indignation, we see how they are replying to us. Now they say they are going to beautify the center of San Salvador. They are going to spend many millions instead of using that money on the infrastructure we need so much, and in real and immediate development.

What we are asking this government, that gentleman in the big house, is to give us a reply with prudence, with good sense. He should understand that he swore to obey the Constitution. His oath added: If you do so, let the homeland reward you; if not, let the homeland demand it from you. He should understand that on behalf of our Republic, all of the people are demanding that he keep his oath.

How have Duarte and company turned out? He says that all of us are of the extreme. He talks about the extremes. He said that the extremes unite to destroy the reforms. He said that the extremes unite to destroy the democratic process and that the extremes unite so there will be more war. This means that all Salvadorans, all of us, all of you listening to me, all of those who have criticized the foolishness of these fish. [reference to Christian Democratic Party whose symbol is a fish] belong to the extremes. Look at what a clumsy and offensive reply Mr Duarte gives. Let us now analyze what he says about the extremes joining together to destroy the reforms.

Brother peasants of the reformed and the nonreformed sector, organized and nonorganized workers, brother Salvadorans who have been displaced from your homes, brothers who live in poor areas, in short, all ARENA members: Let us speak about the reforms. Let us look at the agrarian reform.

No one has said that there should not be an agrarian reform. What we have always insisted is that this reform should truly benefit the peasants. They are now benefiting from it but it should fundamentally benefit all Salvadorans. Look at the crisis we have with this reform. There are better ways to improve the agrarian reform program and to make it productive. We know that with AID funds, there is currently a program to pay the cost of that agrarian reform, to pay those whose land has been expropriated, to pay the debt of the cooperatives so that they can work and produce. What has Mr Duarte done? He has stopped that program to be able to politically or demagogically exploit it in the future.

Brothers of the agrarian reform: When ARENA administered the Salvadoran Institute of Agrarian Transformation [ISTA] and the agrarian reform programs during the Alvaro Magana government, we gave you more ownership over cooperatives. We also organized the program of distributing your own parcels of land within your cooperatives. It was the program of mini-enterprises. We provided you with management programs so you could obtain greater technical knowledge and the capacity to produce. We will never be opposed to something that is a fact and that to some extent is a necessity. However, this agrarian reform process must really be developed and improved.

Speaking of agrarian reform, today the National Unity of the Salvadoran Workers [UNTS], on the sixth anniversary of the agrarian reform, challenged Mr Duarte to clearly explain the reason for the failure of a large number of cooperatives. He should explain why they are in virtual poverty. He should state where schools and health centers have been built in those cooperatives within the agrarian reforms. What has been done? Have houses been built so that the members can have better living conditions? Let Mr Duarte answer the UNTS. Let him also tell all Salvadorans how productive the agrarian reform is. That is what we want. We don't belong to the extremes. We are truly Salvadorans. We want the good of the homeland.

Let us look at the banks in view that he [Duarte] says that we want to destroy the reforms. Who have the nationalized banks benefited? You who are listening to me -- all of you Salvadorans -- answer that. The only ones that have benefited are those who have received credits for political reasons. All those good-for-nothing lazy fish who don't produce anything obtain credits to buy houses, farms, and anything put in front of them. The great danger is that they have never been productive, and they have always lived off politics. When all these productive activities are left in their hands due to the politicized credits, what hopes do we have for productivity? That is what the banks have been used for: for political pressures, for blackmail, for intrigues. The nationalized banks should be truly at the service of the country's productive forces. Why are they afraid of private banks? If they are truly doing a great job with the nationalized banks under the total power that the gentleman in the big house presumes to have, they should permit the existence of private banks that would truly be concerned about promoting productive programs. I think Mr Duarte is the one who belongs to the extremes, as we will see later in this program.

Let us look at the reforms of the foreign trade, especially the case of the National Coffee Institute [Incafe]. It is a failure. Even the government has admitted the failure of the administration of Incafe. Remember I told you in the previous program that we should find out what happened to some sales of this coffee harvest.

You see what they did. They sold at much lower prices -- or at least that is what they said -- than they should have. In other words, they are sinking and breaking all Salvadorans.

Now, they have brought in the empty shell they have created called National Worker-Peasant Unity [UNOC], which is threatening that if the Supreme Court rules in favor of the Salvadoran people and the Constitution to break those monopolies and end the grave crisis, the situation is going to become grave and violent here. Poor democrats, who are they trying to deceive now with empty shells as fronts, as if we had not experienced this situation of violence that comes from abroad for years? They are acting as if this is new and as if problems will come if that ruling is issued. The problems already exist because of the mismanagement of the funds of the people and the funds of the coffeegrowers, and the mismanagement of work and productivity in our homeland.

The truth is that we must unite, and this is what we have always been trying to do. Management and the workers must unite. The real forces in our country must unite. Why? To generate more jobs, more production; to lower the cost of living so that we can reorganize and give a clear "no" to this economic package, so that we can stop the corruption that is destroying us, and so that we can consolidate the democratic process. Our goal is to unite the labor and business sectors and, as I said, to defend the democratic process. Perhaps, it is the only thing that can exist at this time with our government system. Perhaps, it exists more as a process than as a truly democratic system because let us remember how it was admitted that the CIA intervened to place that gentleman in the big house. The UNTS has told him that. The National Association of Salvadoran Indians [ANIS] told him that a few days ago. How much money did the AFL-CIO contribute? Was it that through the social pact they gave him the votes and power? Therefore, there was corruption. This process is corrupt. Nevertheless, we believe that the democratic system must be maintained. That is our vital starting point. Anything that happens here must be within the democratic system, within the constitutional system because even in the democratic processes that have been a little dirty and that have caused us frustration, we must raise our nationalist spirit. We must remember that the most powerful weapon of free men is the vote. Nevertheless, these fish even want to tarnish that. They want to modify the Central [Electoral] Council with a law that everything will be at their service; in other words, a system of total power and that is dangerous. It is as extremely dangerous as the economic package that is taking us to total unemployment, hunger, poverty, and who knows how many other much more dangerous things.

Salvadoran brothers, ARENA members: Since the beginning of our birth as a party we have clearly defined the democratic system, which is one of our objectives. I am going to remind you how we feel a democratic system should be in a country like ours and in any country considered democratic. We interpret democracy with the four great powers that the people have: the power to elect, the power to replace, the power to initiate laws, and the power of referendum. We have already used the power to elect. It does not matter that others have sullied it. We feel proud to have honestly exercised it. We are exercising the power of initiative. Better said, it was exercised quite well but we now have 33 henchmen [reference to 33 Christian Democratic Party deputies]. In any case, the power of initiative for laws continues to be exercised. Recently, we have not needed to exercise the power of referendum, but it is possible that in view of measures such as these [not further explained] at the level of the Central American area, it might be opportune at some time for the government that is then in power to hold a referendum so the people can express their views on the position to be adopted.

Regarding the power of replacement, with the same right that we elected our representatives, we also have the right within the democratic system to replace them. This power of replacement begins by requesting and demanding that he [Duarte] keep his promises to the people. If not, the Constitution establishes guidelines so that the system will be maintained and so that we as a people exercise that right.

But let's go back to the point we were making about the extremes. Salvadoran brothers: Let it be very clear that no extremes are joining together. The only extreme that is being left here is the shell of Christian Democracy because it has excluded all of the conglomerate, all of us. It belongs to one extreme. The other extreme is those who have taken up arms. Those are really the extremes. We, the people, the democratic and productive people who are asking that this government reorganize and change its positions for the good of our homeland, are not the extremes.

I am now going to expand further on what I said in the last program regarding the political vaccum. I want to refer to the social pact that Mr Duarte utilized. He deceived and used it to reach power. He clearly stated in his book on communitarianism that the votes must be obtained from the people and afterward, the measures that I, Napoleon, want must be applied to them. They want to fill that political vaccum with what they recently organized and called UNOC. Of course, we have serious doubts. I will try to explain what the social pact was and what the empty shell of the UNOC is. All of those who are aware of the past and who are now struggling have doubts in view of the famous links between Christian Democracy and the National Union of Opposition; in view of that little phrase that they are repeating so often: civil war; and in view of the positions held by the FMLN. By the way, I have here the document that is called "FMLN Position on the Current Process." It makes a very interesting comment. We are totally convinced, it stated, that seeing all of El Salvador on a struggle footing we will obtain this. In other words, the civil war. It stated: seeing all of El Salvador on a struggle footing.

Who is taking us to the creation of those conditions? You, Mr Duarte. You are leading us to a real civil war in El Salvador. The communists have been discussing this. There has never been been a civil war here. However, remember that your comrade Ungo [FDR leader Guillermo Ungo] talks about the Salvadoran civil war. What does your fellow party member [as heard] Zamora [FMLN-FDR leader Ruben Zamora] talk about? He talks about the civil war in El Salvador. All of the orchestra that does not know what is happening here, all of that international leftist orchestra repeats that there is a civil war. There has never been a civil war here. You are creating the conditions. If you do not understand Salvadorans, you will take us to a civil war. You will take us to that situation about which the FMLN comments in its document. Your links and your attitude give us great doubts. This is why we want to request that if you are really a good Salvadoran and a good ruler, then react in time because we are demanding this from you with the right we have as a people.

Mr Duarte, the people who demonstrate against your measures and who ask you to rectify yourself are not of the extremes. I repeat: The only extremes that are left are you alone on one side and the FMLN on the other. I want to explain to you Salvadoran people the situation to which Mr Duarte has taken us even though he boasts about democracy. He wants total power. Through his party dictatorship he presumes that he has political power, and he now wants economic power. That is why he wants to absorb everything. It is because of this economic power that he nationalized the banks and foreign trade. Peasants and Salvadoran people in general, it was not for you that he did this. He did it to have economic power.

Democracy should exist here without the arrogance of a party, a dictatorship or anarchy. There should be private property that will fulfill a social and productive function. There should be a democracy where we will never permit the entrance of these types of measures which mean collectivized property. There should be adequate reforms that are correctly oriented. This is the system we are asking from Mr Duarte for Salvadorans. We are asking for a real democratic system and not that which he seeks with the total power he wants, demagogically deceiving us. He wants to achieve economic power with the famous reforms that he says the extremes oppose. We do not oppose them. Instead, we want them to truly work and help our homeland.

Salvadoran brothers, to what situation has the current government taken us? I am going to summarize the alternatives that we foresee so that we can take the appropriate measures. If Mr Duarte remains in the government and does not change the measures he has taken, then Salvadoran brothers, there will be such unemployment, shortages, misery, and hunger that the FMLN will have on a silver platter what it has never been able to have: a desperate human mass and it will confront us in a civil war. If Mr Duarte remains in the government and changes these measures, which is the other feasible alternative in a democratic system, then he would do the country a big favor. He would go down in history, and he would do our Armed Forces a big favor so that they would not have to act against a needy people. Instead, they would be able to fulfill their constitutional mission of expelling the terrorists who have taken up arms. That is what we are asking Mr Duarte: to listen to the voices of the people so that this alternative will be the feasible one.

There is another alternative: that foreign forces, misoriented forces, begin inciting needy people to hold a general strike that will take us to the same circumstances as the first alternative, to a confrontation between Salvadorans in a civil war. The fourth alternative is for Mr Duarte to understand that he has done everything possible, that he cannot continue because he does not have a capable team, and that he should reorganize his team. If he is a patriot, he should change himself and change these measures so that we can focus on the real problems of our country. We want to achieve peace with freedom. We want to have the most feasible and necessary production, economic development, and work measures in view of the current crisis.

There is a fifth alternative that is ill-fated. There is talk about it even though I would never believe it possible. It is that of a coup like those that we have had in the past. That would be ill-fated, and it would mean practically serving up power to the FMLN on a silver platter. However, if Mr Duarte does not change the economic package he will take us to the disaster of a civil war. As I said earlier, our mission and that of all Salvadorans is to maintain the constitutional and democratic mission. Our mission is to help our Armed Forces fulfill their mission so that they will not be involved in another disaster, especially with our own people. I hope that the Duarte-Ungo formula will not continue to work because it smells of treason. We are repeating this to you [Duarte] and you do not want to react. That is why we have a civic, patriotic, political, and constitutional duty to continue efforts to convince the current government and to have all the labor, productive, political, and civic forces unite in defense of our homeland for peace and for an emphatic no to this economic package.

ARENA brothers: As I said in the previous program, we have begun our campaign. Be alert, ARENA members, for the call we will issue to demonstrate throughout the the Republic in defense of the great interests of the majority in our homeland.

RUBEN ZAMORA QUESTIONS GOVERNMENT'S STANCE

PA141803 San Salvador EL MUNDO in Spanish 12 Mar 86 p 3

[Text] The statement by Napoleon Duarte that we must surrender ourselves to the police is so absurd that it can hardly be taken as the government's official position because it cannot be understood how he can claim one day that he is willing to renew the dialogue with the FMLN-FDR and a few days later threaten the representatives of these organizations with jail. The grave deterioration of the Duarte regime could be the reason for it acting in a contradictory and desperate fashion. This statement was made by FMLN-FDR leader Ruben Zamora to San Salvador's Radio Cadena YSKL.

According to a guerrilla communique, on 7 March they announced that an FMLN-FDR delegation would be arriving in the capital to meet with Archbishop Arturo Rivera y Damas this week, but the prelate told them that he would be out of San Salvador. Because of this the delegation will be arriving next week to consciously contribute to the peace aspirations of the Salvadoran people. The communique also states that the guerrillas expect Duarte to officially and seriously state his position regarding the arrival of the guerrilla representatives to meet with Msgr Rivera y Damas.

In this regard, Culture and Communications Minister Rey Prendes told EL MUNDO today that in the past the guerrillas have come with government-issued safe-conducts to participate in talks but this time there has been no official communication with the FMLN-FDR, which has used the media to make its position known. It is logical that if they want to arrive in the country on commercial airlines, they will have to be placed at the disposal of courts. Rey Prendes said that the rebels have not requested any safe-conduct. If they enter the country clandestinely, and they are not discovered, that is something else, he said.

The official explained the situation saying that the same would happen to extremists of the IRA if they were to go to London because they would be arrested. The same would happen to the assassins of Olof Palme in Sweden. If they were to go to Stockholm they would be put in jail in spite of the fact that that government supports both the Sandinists and the Salvadoran guerrillas. It is only natural that this should happen in any country of the world.

Finally, Rey Prendes said that the government does not know what the FMLN-FDR fronts' position is, and evidence of this is the fact that the guerrillas have been announcing that they will be arriving next week to deliver a document on their position to mediator Msgr Rivera y Damas.

In his most recent homily, the archbishop announced that this week he would go into a spiritual retreat and asked not to be disturbed for the duration of this religious activity.

FMLN-FDR WILLING TO DISCUSS HOLY WEEK TRUCE

PA151934 Hamburg DPA in Spanish 1721 GMT 15 Mar 86

[Text] San Salvador, 15 Mar (DPA) -- The Salvadoran guerrillas today said that they are willing to discuss a Holy Week truce based on a proposal that San Salvador Archbishop Msgr Arturo Rivera y Damas presented to them.

The guerrillas said in this capital today that they released a document about this in Mexico City and that it could be one of the topics to be discussed with the Salvadoran prelate, provided an FMLN-FDR delegation travels to San Salvador next week.

The FMLN-FDR said they have sent a new peace proposal for Holy Week to the government and that they have established contacts and talked with several Salvadoran political sectors in an effort to find common grounds.

They have said that their purpose is to seek agreements that might lead to a solution to the serious crisis that the country is facing under the administration of Christian Democrat Jose Napoleon Duarte.

Regarding the Holy Week truce, the rebels said that because this is a matter of general interest, the people should be informed well in advance in order to prevent confusion or accidents.

Regarding dialogue in general terms, the Salvadoran rebels have said: "We have not presented any new proposals to the Salvadoran Government during the past few weeks because we have not yet received an answer to our proposal presented in Ayagualo on 30 November 1984, in the second meeting after the one held on 15 October of the same year in La Palma."

Yesterday afternoon, Duarte told DPA that three levels of the dialogue are to be discussed and that the conflict is to considered from three viewpoints. One of them is national, the second is regional, and the third is international under the Contadora initiative.

He added: None of them excludes the others. "What I cannot tolerate is that they, the FDR-FMLN, try to prevail by force, that they always present themselves as the good guys, and that I am the bandit."

President Duarte said: "Their announcement that they will come to the country indicates a provocation." [sentence as received]

FMLN-FDR DENIES SUBMITTING NEW PEACE PROPOSAL

PA160202 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Mar 86

[Text] Attention local and international news media. Attention citizens. A bulletin issued by the FMLN-FDR referring to international news dispatches that state that the FDR-FMLN have submitted a new peace proposal to the Salvadoran Government and on a Holy Week truce requested by the Archbishop of San Salvador follows. In relation to these reports we make the following announcement to the people:

1. In the past few weeks we have not submitted a new peace proposal to Duarte's government, inasmuch as the discussion of the proposal we made during the second dialogue meeting in Ayagualo is still pending.

2. The FMLN-FDR have been holding meetings and talks in San Salvador with various sectors of the country in an effort to find issues on which we coincide and agree that can lead to the solution of the serious crisis the nation is facing under the government of Jose Napoleon Duarte.

3. The FRD-FMLN express their readiness to discuss the Holy Week truce requested by Monsignor Arturo Rivera y Damas, archbishop of San Salvador. This is one of the issues that our delegation would discuss with Msgr Rivera y Damas next week in San Salvador.

4. Given that this is of general interest, any military agreement during Holy Week should be reported with due anticipation to all citizens to prevent confusion and incidents.

[Signed] FMLN-FDR

El Salvador, 14 March 1986

GUATEMALA

CEREZO COMMENTS ON STAGNATION IN INVESTMENTS

PA132340 Guatemala City Radio-Television Guatamela in Spanish 0400 GMT 12 Mar 86

[Text] President Vinicio Cerezo Arevalo discussed some aspects of the government's increasingly confused economic policies during a conversation with reporters this afternoon. The president spoke about what some media sources have called investments stagnation.

[Begin recording] [Cerezo] There are investments. We want investments this year. People who want to analyze the situation must take into account the fact that we are talking about the starting point for a new phase. If we were to march backward there would be nothing to do in Guatemala. We are trying to take the first steps, as I have said in some speeches, toward Guatemala's economic recovery, and there is a possibility that in the near future we could view as important having a stock exchange, but our platform does not view this as an immediate endeavor, but as a future possibility. The same applies to the idea of revising the tax system to impose more direct taxes that would come to replace past taxes. This includes immediate implementation measures and measures that could be implemented in the future.

[Unidentified reporter] You spoke about creating 40,000 to 55,000 jobs, using 100 million quetzals. Where will the money to create these jobs come from?

[Cerezo] We have already clearly said that the tax we are studying would affect only exporters because this would allow us to immediately recover money that will help us somewhat diminish the fiscal deficit and to use the 100 million guetzals for public works that would open the jobs we have mentioned.

The idea is to break the vicious circle we have: The people do not want to pay taxes; subsequently, the government does not have money to create jobs, but the people want jobs. This tax would provide the money to create jobs. That is why we want to impose it. We said an average of 30 percent because products will not be affected alike [sentence as heard]. It is important to point out that the tax idea is not what some people have absurdly said: that those who have money pay the tax to benefit those who have nothing. [end recording]

President Cerezo also said that the peasants have not abandoned their agricultural activities.

[Begin recording] [Cerezo] They probably do not know that the capital of Guatemala has one of the highest unemployment rates right now, but peasants would not come to the capital anyway because this is the harvest season and there is a great demand for labor in the interior. In fact, we are having difficulties getting the coffee harvested right now.

We are not going to make all the investments in the capital. I believe this is the correct point of view. We are going to invest in all the municipalities of Guatemala.

The mayors will have money to do the work that is most necessary and which the citizens have been awaiting for many years.

Yesterday we gave a document to the media. A meeting will be called for tomorrow so that the various sectors may talk with commissions organized by the Cabinet. All the sectors will be heard. We will compile the proposals they will make and then we will do what all governments should do: discuss them, make counterproposals on proposals we cannot satisfy, and decide on whatever we believe is most adequate for the progress of the population.

[Reporter] Is there a deadline?

[Cerezo] We would like to have results by the beginning of next week. [end recording]

Finally, Cerezo said that it is possible that the cotton industry will not have to pay a 30 percent tax on exports.

[Begin recording] [Cerezo] [Words indistinct] that is the truth because not all products pay or can pay the same amount. We are interested in exporting vegetables, which are exported by the peasants to the United States and other places. This sector will not pay the tax because this is a new export product. Cotton is going through a difficult economic situation so it will pay a small tax, perhaps nothing. Coffee is going through a good moment, so it will pay a little bit more or much more.

The tax amount is going to be distributed to secure a 30 percent increase. They [not further identified] have to reach an agreement to determine how much each will be paying. That problems corresponds to them. We will make the decisions [words indistinct] with the representative of congress, the deputy foreign minister, and one of our most important political advisers. This is the [words indistinct] commission which of course includes the chief of staff and other people. At the Cabinet level, there is the political adviser, the deputy foreign minister and other [words indistinct].

[Question indistinct]

[Cerezo] On the 17th. We are going to talk about the agenda later.

HONDURAS

AZCONA DENIES SIGNING U.S. PACT ON AID TO CONTRAS

PA151843 Panama City ACAN in Spanish 1753 GMT 15 Mar 86

[By German Reyes]

[Excerpt] Tegucigalpa, 15 Mar (ACAN-EFE) -- President Jose Azcona Hoyo today denied having having signed any pact with the United States "either openly or covertly" to help the anti-Sandinist rebels.

The president thus contradicted press reports in the United States to the effect that Azcona Hoyo held negotiations with the United States on delivering supplies to the Nicaraguan counterrevolutionaries.

The U.S. Congress will vote next week on the Reagan administration's request to grant $100 million in aid to the guerrillas who are fighting the Nicaraguan regime. Last week, U.S. Secretary of State George Shultz and U.S. Defense Secretary Caspar Weinberger said that Honduras is not an obstacle to helping the "contras and that these anti-Sandinist groups operate out of Honduran territory. "We have not signed any overt or covert pact," the Honduran head of state said, however. Azcona Hoyo also said today that "Honduras is and will continue to be an ally of the United States. [no end quotation mark as received]

Regarding the statements made by Shultz and Weinberger, the president said: "These are points of view; I think they understand that Honduras is an ally, is a loyal friend of the United States, and they trust that we agree on this stand."

AZCONA VIEWS MEETING WITH U.S. ENVOY HABIB

PA142201 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 14 Mar 86

[By David Romero]

[Text] President Jose Azcona talked yesterday with Philip Habib, U.S. roving ambassador for Central America. They discussed the Central American situation. Habib told President Azcona that the United States will continue to support the Contadora Group. Here is what President Azcona had to say about his meeting with Habib:

[Begin recording] [Azcona] We talked in general about different subjects, mainly Central America and our relations with the United States.

[Romero] What did Habib suggest for a peaceful solution to the Central American problem?

[Azcona] Well, that the United States will continue to support the efforts of the Contadora Group. In my opinion this is very important. Contadora needs the support of all of the governments if it wants to find solutions to the problems.

[Romero] Mr President, what about our relations with Nicaragua?

[Azcona] As I already told you, the United States is going to continue to support the Contadora Group, and that is very important. [end recording]

These were brief statements made by President Azcona yesterday after his meeting with Philip Habib, the U.S. ambassador for Central America.

NICARAGUA

ORTEGA SAYS AMERICAN PEOPLE HELPING NATION

PA141944 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 86

[Text] The American people are against the Reagan administration's terrorist policies for moral reasons, Commander of the Revolution President Daniel Ortega Saavedra said yesterday.

The Americans are aware of the fact that the White House interventionist policies in Nicaragua will end in a direct invasion of this country, and will involve American youths in a war similar to that of Vietnam, Ortega said.

The revolutionary leader underlined the contrasting attitudes of Mr Reagan, who wants the war, and the help the American people have offered and have already given Managua, by participating in the construction of schools, health centers, and homes. This is the true humanitarian aid the Nicaraguan people need; they do not need the $100 million that Ronald Reagan is requesting from Congress in order to finance the counterrevolutionary groups that murder, offend, and destroy peasants, children, women, homes, and supply centers in Nicaraguan rural zones, President Ortega concluded.

ORTEGA TO ATTEND AREA PRESIDENTS' MEETING

PA141800 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 86

[Text] Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, confirmed to Guatemalan Vice President Roberto Carpio Nicolle that he will attend the meeting of Central American presidents scheduled to take place in May in Esquipulas, Guatemala. The revolutionary leader expressed his willingness to participate in the meeting promoted by Guatemalan President Vinicio Cerezo. Carpio Nicolle yesterday visited Nicaragua to reiterate the invitation to Commander Ortega Saavedra.

Ortega pointed out that at the Esquipulas meeting the creation of the Central American Parliament will be discussed, and Nicaragua will present the proposal that bilateral agreements be discussed among the countries in the region in order to promote goodwill between Honduras and Nicaragua.

Referring to the spirit that should prevail at the presidential meeting in Guatemala, President Ortega said that it is the Central American countries' duty to work in favor of peace, and in thie regard respond to the Contadora Group, Lima Group, and all of Latin America's desire for peace. Ortega added that the presidents of the region should state peace alternatives for the area, thus reducing the Reagan administration's excuses to justify its terrorist policies in Central America. It is necessary for peaceful proposals to emerge at the Esquipula meeting, in order to diminish the possibility of a war in the area.

Carpio on Meeting

PA150010 Managua Radio Sandino in Spanish 0000 GMT 13 Mar 86

[Text] Guatemalan Vice President Roberto Carpio Nicolle admitted today that President Daniel Ortega is willing to participate in the summit meeting of Central American presidents, which will be held in Esquipulas, Guatemala, next May.

Shortly before his departure for Honduras, Carpio Nicolle said that the Esquipulas meeting is an important step toward the democracy we all want. Following a meeting with President Ortega during his short stay in the country, Carpio Nicolle said that diplomatic agreements will be achieved between the governments in the region.

In addition, Daniel Ortega said that the presidential summit is an achievement in itself, but emphasized that countries in the area should solve their own problems without seeking the help of other regional countries.

The vice president of Guatemala said today that we must struggle to achieve peace when analyzing the Central American situation, the United States' presence, and its effects on peace. Guatemalan Vice President Roberto Carpio Nicolle said that his country maintains a neutral policy and does not interfere in other countries' affairs. Referring to the $100 million that the U.S. Administration is requesting for the contras, the Guatemalan vice president asserted that those matters are the exclusive responsibility of each country. He added that he held a positive meeting and talks with the Costa Rican leaders concerning peace in the region.

[Begin recording] [Unidentified reporter -- in progress] ...Costa Rica you talked with its leaders. What were the results of these talks?

[Carpio] Very positive. We brought a personal message, as you know, from President Cerezo, and the Costa Ricans are interested in seeking ways to achieve peace.

[Reporter] Has the Central American presidents' meeting in Esquipulas been confirmed?

[Carpio] Yes, both President Monge and President-elect Oscar Arias agreed that the meeting should be held in Esquipulas, as President Cerezo has suggested.

[Reporter] What is your view of the $100 million being requested by Reagan in the U.S. Congress? Does this represent a threat to Contadora? What do you think?

[Carpio] This matter is the exclusive responsibility of each country.

[Reporter] Does this represent a threat against peace?

[Carpio] Well, Guatemala maintains a neutral policy and does not intervene in other countries' affairs. We think that we are struggling for democracy and, from this viewpoint, we would like to always have democracy throughout Central America so the people may choose their own destiny.

[Reporter] Mr Carpio, are the Guatemalans worried about the United States' military presence?

[Carpio] Well, I think Central Americans should solve their own problems. I think if we struggle for peace, we will always advocate dialogue, which is the most important. To be frank, [words indistinct] the marvelous thing would be for the Guatemalans, Nicaraguans, Central Americans, and all human beings to seek their own destiny. Therefore, we will always agree that we want our people to be happy. [end recording]

Ortega Meets With Carpio

PA141751 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 86

[Text] Yesterday, Guatemalan Vice President Roberto Carpio Nicolle said that mutual respect is important among all of the countries to establish peace in Central America. During a brief 4-hour visit to Nicaragua, Carpio Nicolle met with the president and vice president, Commander Daniel Ortega Saavedra and Dr Sergio Ramirez Mercado respectively, and with Commander Carlos Nunez Tellez, president of the National Assembly.

The Guatemalan vice president relayed President Vinicio Cerezo's invitation again to Commander Ortega to participate in the meeting of Central American presidents scheduled to take place next May in Esquipulas, Guatemala.

Carpio Nicolle avoided talking about the $100 million for which the Reagan administration is seeking U.S. congressional approval to continue financing the counterrevolutionaries, saying that it is an internal problem that does not affect Guatemala.

Carpio Nicolle left Nicaragua yesterday, heading for Honduras. In addition to meeting with President Ortega, Vice President Sergio Ramirez, and Commander Carlos Nunez Tellez, president of the National Assembly, he also met with Cardinal Miguel Obando y Bravo and members of the Social Christian Party. Vice President Ramirez and Foreign Minister Miguel D'Escoto Brockman bid Carpio Nicolle farewell at the airport.

ORTEGA ON HONDURAN DIALOGUE, PRIESTS' REMARKS

PA141650 Managua BARRICADA in Spanish 13 Mar 86 p 4

[Text] President Daniel Ortega has stated that there is hope for establishing bilateral mechanisms to face the problems with the Honduran Government, noting that there is currently receptiveness for it.

Ortega highlighted the agreement that was established in that regard with Costa Rica to work in favor of a mechanism to verify and control the border area with the concurrence of the Contadora and Lima Groups. "We can also work with Honduras in that direction," he said.

Ortega's meeting with reporters occurred following his meeting with Guatemalan Vice President Jorge Carpio, who delivered the invitation for the meeting of Central American leaders to be held in Esquipulas and his attendance was guaranteed. [sentence as published]

The president also referred to the attitude of the U.S. people who oppose the Reagan administration's warmongering policy. Ortega said that they don't want their youths to come to Nicaragua to die. He added that in addition to this, there are other moral principles that prompt the U.S. people to oppose war because to them, it is inadmissible to have a policy of state terrorism such as that practiced by President Reagan.

Regarding Carpio's visit he said: "We feel that it is a responsibility of Central Americans, in the first place, to work for peace and therefore, we must respond to the Quatemalan initiative to have the very much needed Central American dialogue."

Asked about the visits of Cardinal Obando y Bravo and Bishop Vega to the United States, Ortega said that they were called on by the U.S. Government to slander the Nicaraguan revolution and thus give President Reagan excuses to justify his terrorist policy against Nicaragua.

He said that Obando y Bravo and Vega did not go to the United States to condemn the terrorist policy and the crimes that the contras have committed against women and children in Nicaragua.

He added that the attitude of the Catholic leaders "deserves our political condemnation and that of the Nicaraguan people." Ortega reaffirmed the principle of the revolution to respect religious beliefs, but we are also willing to face political attitudes against the revolution."

In conclusion, he said that he will participate in the funeral of the late Swedish Prime Minister Olof Palme who he said "was a friend and defender of our process." He added that "we have deeply felt the death of Comrade Palme as the death of a world leader who favored peace."

PRESIDENT DEPARTS FOR OLOF PALME'S FUNERAL

PA141348 Managua Radio Sandino in Spanish 1200 GMT 14 Mar 86

[Text] President Daniel Ortega traveled yesterday to Stockholm, Sweden, where he will attend the funeral of Prime Minister Olof Palme who was murdered 2 weeks ago. Palme was considered by Nicaraguan leaders as one of the Sandinist revolution's best European friends. The former Swedish prime minister visited Nicaragua early last year to get a close look at the revolutionary process. On that occasion he inaugurated the Rivas hospital, which was constructed with aid from his country.

RAMIREZ VIEWS MEETING WITH U.S. HOUSE DELEGATION

PA151342 Managua Radio Sandino in Spanish 1245 GMT 15 Mar 86

[Text] The acting Nicaraguan president has put U.S. congressmen in their place. He reiterated that it is immoral that they are discussing and approving funds to attack a nation. Dr Sergio Ramirez Mercado, acting president of Nicaragua, reiterated Nicaragua's honorable position in defense of Nicaragua's independence during yesterday's meeting with nine U.S. Republican Party congressmen. The Nicaraguan leader told the U.S. congressmen that it is immoral that U.S. congressmen come to Nicaragua to decide if they should allocate funds to destroy our democratic system.

[Begin recording] I met this afternoon with a group of congressmen who arrived on an unexpected visit to the country yesterday. Their number was smaller than we had expected, because there had been talk about 32 or 34 representatives, but only 9 arrived. I am mentioning the number just for your information because, we who have always been open to dialogue and have been willing to receive any mission from the U.S. Congress [words indistinct]. We met with them to talk with them [words indistinct] Nicaragua is a country of men of goodwill. We want peace and dialogue. However, in no way does this mean acceptance of a U.S. Congress right to discuss whether funds are allocated to terrorist forces trying to destroy the Nicaraguan democratic system and more importantly for us, to destroy human lives. We have obviously expressed this very clearly. We think that this debate is immoral, unjust, and illegal and that it violates the norms of international coexistence and that it even violates U.S. laws. We told this group of congressmen that we want peace and dialogue with the United States, that we want to reach a strong understanding to prevent bloodshed, and that the U.S. Government must stop financing the mercenary and terrorist forces. [end recording]

U.S. ROVING AMBASSADOR REPEATS 'BLACKMAIL' OF FSLN

PA141903 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 86

[Text] The Reagan administration's new roving ambassador for Central America has made his debut repeating the diplomatic blackmail that Napoleon Duarte launched several days ago under orders from Washington: That the United States is willing to resume bilateral negotiations with Nicaragua if the Sandinist government talks with its mercenary forces, the recently designated Philip Habib said yesterday in San Salvador. Duarte said the same after a visit to Washington.

Harry Shlaudeman's successor, described as the U.S. star negotiator, will not visit Nicaragua. He will visit Tegucigalpa, Guatemala, and Costa Rica.

SOVIET WEAPONS TO BE SOUGHT IF CONTRA AID APPROVED

PA150326 Managua Domestic Service in Spanish 0300 GMT 15 Mar 86

[Text] Washington D.C. -- Carlos Tunnerman, Nicaraguan ambassador to Washington, has stated that Nicaragua will request weapons from the Soviet Union to defend itself if the U.S. Congress approves the $100 million in aid to the Somozist counterrevolutionaries. The Nicaraguan diplomat told THE WASHINGTON TIMES [4-second break in transmission] does not know if they will need it, but Nicaragua is prepared for that possibility.

Tunnerman described the trip being carried out through the Central American region by new U.S. special envoy Philip Habib as a public relations campaign, adding that it is not true that the Reagan administration is willing to negotiate with [6-second break in transmission] Nicaragua and would already be defeated had it not been for the United States aid. In conclusion, he said that Nicaragua does not represent a threat for the United States because it is not a communist revolution, but a purely Sandinist revolution.

TINOCO RETURNS FROM TALKS, VIEWS BORDER DECISIONS

PA142235 Managua Radio Sandino in Spanish 1930 GMT 14 Mar 86

[Text] The Costa Rican-Nicaraguan border agreement represents an important step toward peace in Central America, especially when the Reagan administration is bent on promoting war. This statement was made by Deputy Foreign Minister Victor Hugo Tinoco upon his arrival last night from San Jose, Costa Rica, where he signed an agreement for the creation of an inspection and observation commission at the border.

Tinoco said that the United States is promoting a totally hostile course by trying to obtain aid for the contras. He added that the importance of the agreement is not only based on its contribution to decreasing tension in the area, but also on the fact that it proves that if there is political willingness it is possible to reach an agreement and improve relations. However, Tinoco stressed that if President Reagan gets the U.S. Congress to become an accomplice of his policy of financing the contras, then tension in Central America will be increased and the efforts being made by the Costa Rican and Nicaraguan governments would be affected. Tinoco reiterated that the Contadora Group and Support Group countries will meet next week in Panama. At that time, the exact date for the implementation of the inspection and observation commission will be established. Tinoco said that the inspection commission will study, in situ, some of the aspects that need to be clarified for the proper operation of the commission.

FDN REPORTEDLY SHOOTS DOWN MI-8 HELICOPTER

PA162028 Panama City ACAN in Spanish 1959 GMT 16 Mar 86

[Excerpt] Tegucigalpa, 16 Mar (ACAN-EFE) -- The Nicaraguan Democratic Force [FDN] reported in Tegucigalpa today that its combatants shot down a Sandinist People's Army [EPS] MI-8 helicopter yesterday.

According to the rebel source, the Soviet-made aircraft was shot down by machine-gun fire near Wiwili, Jinotega Department, north of Managua.

The FDN report, disseminated in Tegucigalpa at 1100 (1700 GMT), added: "This new blow against the Sandinists is the result of the stepping up of actions by our forces in Nicaragua, although our organization is experiencing supply and logistics problems."

ARDE, FDN POLITICAL WINGS SIGN 'UNITY DOCUMENT'

PA161519 Paris AFP in Spanish 2031 GMT 15 Mar 86

[Excerpt] Washington D.C., 15 Mar (AFP) -- The Nicaraguan Southern Opposition Bloc [BOS] -- political wing of the Democratic Revolutionary Alliance [ARDE] and its military leader, Eden Pastora, today signed a unity document here with the Nicaraguan Opposition Unity (UNO), which is the political committee of the Nicaraguan Democratic Forces (FDN) guerrillas. This information was reported to AFP by Eden Pastora's adviser Leonel Telles.

Nevertheless, the three UNO members, FDN political leader Adolfo Calero on the one hand; and Arturo Cruz and Alfonso Robelo -- the current favorites of the Reagan administration -- on the other; have not yet signed the agreement.

The Reagan administration is advocating this agreement, as part of its campaign to get Congress to renew military aid to the anti-Sandinist guerrillas. This aid was suspended in 1984.

The Reagan administration's efforts are also aimed at strengthening Robelo and Cruz within the UNO to the detriment of Calero. The former are regarded as being more democratic and apt to appease the U.S. Congress, while the latter is regarded as being linked to the FDN's Somozist military and civilian leadership, thereby making Congress nervous.

The agreement signed between BOS and Pastora is aimed at a political-military union between the two forces, having a common platform of principles, aims, and systems of military and political coordination.

Pastora proposed that the platform include the futher dissolution of the army used to overthrow the Sandinists, following the Costa Rican example. According to Telles, the platform calls for the creation of a "civilian police force."

Although Pastora, who is currently affected with typhus fever, did not participate in the talks, he signed the agreement.

Bayardo Lopez, Alfredo Cesar, Adolfo Chamorro, Alvaro Jerez, and Jose Avila signed for the BOS Executive Committee.

ARDE COMMANDERS SAY STRUGGLE 'REGRESSING'

PA160102 Panama City ACAN in Spanish 2150 GMT 15 Mar 86

[By Juan Ramon Rojas]

[Text] San Jose, 15 Mar (ACAN-EFE) -- Regional commanders of the anti-Sandinist ARDE have admitted that the guerrilla struggle against the Nicaraguan Government is "regressing," according to a document published today in this capital.

The report, addressed to Eden Pastora, Jose Davila, and Donald Castillo, top leaders of ARDE, is signed by regional commanders identified by the pseudonyms "Leonel," "Navegante," "Franklin," and "Conejo," among others.

With the document was a statement from the rebel alliance's "General Staff" signed by Commanders Adolfo Chamorro, Marco Aguado, Mario Aviles, Edmundo Leal, Roberto Chamorro, and Jose Marin, in which they state that they share Pastora's viewpoint regarding "the internal crisis in our organization."

"We have read the document" -- they say in a letter also addressed to Pastora, Davila, and Castillo -- "and having subjected it to an in-depth analysis, we share and support the statements made by our organization's regional commanders."

Pastora, commander in chief, and Davila, ARDE's top political leader, along with other ARDE leaders who form part of the Southern Opposition Bloc (BOS), are in Washington negotiating the "coordination" of the different anti-Sandinist forces.

These plans to unify the "contras" are part of President Ronald Reagan's efforts to attain congressional approval of $100 million in humanitarian and military aid for the anti-Sandinists.

The other anti-Sandinist bloc, the Nicaraguan Opposition Unity (UNOO, whose main group, the Nicaraguan Democratic Force (FDN) fights primarily in the northern part of Nicaragua, is headed by Arturo Cruz, Alfonso Robelo, and Adolfo Calero.

According to the regional commanders' document, ARDE's international problems "have not been treated seriously enough," and "ideas, suggestions, and feelings are generally interpreted as a lack of respect and even conspiracies."

"This situation" -- they added -- "has gradually instilled fear and silence in the comrades" and in many cases it reduces them to a "labor-management relationship that goes against our revolutionary dignity, and at times leads to something as immoral as using money as a means of making men do what is desired."

In another section of the ARDE internal report, the commanders say that "we cannot continue to maintain a policy whereby the ones least aware of the situation are the ones who suffer the greatest risks and sacrifices."

They also request a clarification of the strategy that is to be followed regarding the FDN, a differentiation between political and military issues, and they feel that due to the present situation, Eden Pastora "should play a decisive role in the political field" because in the military structure "the only thing he has done is weaken us."

"In this manner" -- they said -- "the political framework will be broadened, our international image will be strengthened, and the possibilities of aid will increase."

"In practice it has been demonstrated that there is a structural crisis (within ARDE) and that our organization is gradually weakening," they said.

Of the $27 million approved last year by the U.S. Congress in "humanitarian" aid for the contras, ARDE has so far received nothing, according to an ARDE spokesmen in this capital.

FDN CLAIMS 459 EPS CASUALTIES 1-15 MARCH

PA161842 Panama City ACAN in Spanish 1825 GMT 16 Mar 86

[Text] Tegucigalpa, 16 Mar (ACAN-EFE) -- The rebels fighting against the Managua government reported here today that the FDN inflicted 459 casualties on the Sandinist troops during the first 15 days of March.

According to the FDN report, this organization killed 171 soldiers of the EPS, and wounded 288 others during the lastest clashes.

A bulletin published by the anti-Sandinist forces here today indicates that the clashes, 37 in all, took place in central Zelaya, Boaco, Chontales, southeren Zelaya, Nueva Segovia, and Esteli.

Lieutenant Lorenzo Cortes Estrada and Private Antonio Rodriguez are the only EPS casualties identified by the rebel forces.

According to their report disseminated here, the FDN's "freedom commandos" also destroyed trucks, armored personnel carriers, fuel depots, jeep-type vehicles, and others.

The rebels have asserted that they seized from the Sandinist soldiers AK-47 rifles, ammunition, belts, knapsacks, binoculars, sheets, and vests [peceras]

The FDN reported no casualties during the latest clashes.

According to their information "the EPS is suffering harder and harder blows with each passing day."

Contrary to FDN assertions, the Nicaraguan Govenrment authorities say they will have annihilated the anti-Sandinist rebels in 2 years.

The Managua government points out that, even with the $100 million in aid requested by U.S. President Ronald Reagan for the Nicaraguan counterrevolutionaries, the latter will be annihilated by the Sandinist army.

MINISTRY CRITICIZES ORDER TO REDUCE USSR DIPLOMATS

FL150208 Havana Television Service In Spanish 0100 GMT 15 Mar 86

[Text] A statement form the Cuban Foreign Ministry issued today says in one of its parts:

The Foreign Ministry considers the actions taken by the U.S. Government against UN missions from socialist states are, to say the least, violations of the previously mentioned UN agreement. [ot further expanded] and of international law and forms part of the incessant actions practiced by the Reagan administration to intimidate the United Nations and to try to influence it with its policy of harassment against any country or international organization that does not obey Washington's decrees.

The statement concludes: The Foreign Ministry simultaneously expresses its strongest condemnation of these unilateral actions, not only in the name of the Government of the Republic of Cuba, but for the integrity of the United Nations Organization, whose activities are being blocked again today, and alerts the world that these rude acts continue and are a prelude to the actions executed and planned by the Reagan administration against the United Nations, its system, and the right to free action and expression by all states that are part of the international community.

Havana, 14 March 1986

HABIB CITED ON TALKS WITH NICARAGUAN OFFICIALS

PA150450 Havana International Service in Spanish 1600 GMT 13 Mar 86

[Text] Ronald Reagan's special envoy for Central America, Philip Habib, has said in San Salvador that his government will renew talks with the Nicaraguan officials if they will hold simultaneous talks with the counterrevolutionary bands. Habib made these statements after meeting in San Salvador with Salvadoran President Jose Napoleon Duarte, who conditioned the renewal of the talks with the Salvadoran guerrilla to a similar process in Nicaragua. This suggestion was rejected by the Sandinists as well as by the FMLN.

U.S. GOVERNMENT REQUESTS FUNDS FOR GUANTANAMO

PA150410 Havana International Service in Spanish 1600 GMT 12 Mar 86

[Text] In its 1987 fiscal budget the U.S. Government has included $2.6 million to be invested in the Guanatanamo Naval Base, territory that the U.S. is illegally occupying. The amount is established in the draft budget that the White House has sent to the U.S. Congress for approval. The draft budget includes a total of $1.2 billion for U.S. military installations abroad.

COMMENTARY SCORES REAGAN THIRD WORLD POLICY

PA150055 Havana International Service in Spanish 2300 GMT 12 Mar 86

["Viewpoint" commentary]

[Text] The United States finds that it is not enough to have 1 million soldiers abroad. It is not satisfied with the dozens of camps in U.S. territory that house hundreds of terrorists being trained to attack independent countries.

The millions assigned to the counterrevolutionaries in Nicaragua, Afghanistan, Kampuchea, Angola, and other nations do not completely please its hegemonist aspirations.

Recently, the White House, which has decided to impose the law of the strongest in international relations and to subvert all popular sovereignty processes, has given birth to a new monster: a secret intragovernment group whose task it, is to supervise and coordinate increased clandestine and paramilitary operations in independent Third World countries. THE WASHINGTON POST has reported that the group, called 208 because of the number of the White House room in which it meets, is increasingly implementing the Ronald Reagan doctrine of support for so-called freedom fighters. By labeling them this way, the U.S. President tries to hide the atrocious crimes that the Afghan, Angolan, Kampuchean, and Nicaraguan mercenaries commit against the civilian population. Dozens of persons who have nothing to do with political conflicts have died at the hand of these bands that Reagan tries to make appear as lovable and kind freedom fighters.

The 208 Group is composed of White House, State Department, Pentagon, and CIA officials. The CIA is in charge of the most important tasks, with an annual budget of more than $500 million for this purpose. Observers have not discarded the idea that Reagan could use this sum if his request to Congress for $100 million to rearm the Nicaraguan mercenary bands is defeated. The CIA, whose influence is increasingly stronger in government circles, is giving Afghan counterrevolutionaries approximately $50 million annually, delivers close to $12 million to Kampuchean antigovernment bands, and soon will give $15 million to the UNITA puppets. Of course, the CIA's objectives include the destabilization of Libya and support for subversion movements that might appear in Ethiopia and other nations.

THE WASHINGTON POST's exposure makes it evident that the U.S. President will use all of the political, military, legal, and illegal means to secure his objective: to subvert, or at least to stop, revolutionary and progressive movements throughout the world. Waving their anticommunist objections with the usual shamelessness, the U.S. Government and its septuagenarian president will not only have to face the opposition of the least reactionary sectors in Congress before being able to reach their objectives, but also that of the U.S. citizens who are increasingly gaining awareness about the deadly role that the current masters of the White House play in international politics.

GRANMA VIEWS DUARTE, SEAGA AS REAGAN 'VASSALS'

PA150404 Havana International Service in Spanish 0000 GMT 12 Mar 86

[Text] Edward Seaga and Jose Napoleon Duarte are the leaders who give Washington the most valuable service in the Central American and Caribbean region. This is the appraisal of both personalities made by the Cuban GRANMA newspaper in a commentary entitled "In the Same Bed." According to the article, one can say with all justice that internationally, both leaders are the most faithful Reagan vassals, and at the same time they are allies of the aggressive and interventionist U.S. policy.

GRANMA says that Jamaican Prime Minister Edward Seaga played an outstanding role in justifying and supporting the Yankee invasion of Grenada, and in the emergence of a counterrevolutionary military force in the Caribbean. In addition, he recently interceded to convince the tyrant Jean-Claude Duvalier to abandon power, but not before assuring the continuity of the Haitian dictatorship with others loyal to imperialism.

GRANMA explained that Duarte has a rich track record of U.S. services. His government has favored having the Pentagon direct and lead the strategy of the counterinsurgency struggle. GRANMA added that it is said that eight North American colonels work with the Salvadoran Armed Forces General Staff, and that there are from six to eight Yankee advisers in each garrison. The article adds that Duarte's latest service -- a truly vile one, to say the least -- was to propose that if Nicaragua agrees to negotiate with the mercenaries that are attacking here, the Salvadoran regime would be willing to talk with the guerrillas. GRANMA emphasized that this vile action was committed just when Washington is trying to secure a $100-million aid package for the counterrevolutionary gangs of Nicaraguan origin headed by former Somozist Colonel Enrique Bermudez, who participated in the 1965 Yankee invasion of the Dominican Republic. Continuing, the article states that Duarte is attempting to compare the Somozist criminals with the Salvadoran guerrillas, who have never been opposed to a national dialogue. Moreover, they have promoted such talks. Nevertheless, GRANMA concluded, such stances clearly demonstrate that Jose Napoleon Duarte and Edward Seaga gladly agree to share the same bed with Reagan.

NICARAGUAN MIXED COMMISSION MEETING ENDS

PA150408 Havana International Service in Spanish 1600 GMT 12 Mar 86

[Text] The seventh session of the Cuban-Nicaraguan Mixed Commission for Technical-Scientific and Economic Cooperation ended yesterday in Managua with the signing of the plan for 1986. Throughout the talks, the Mixed Commission evaluated the cooperation plan carried out in 1985 and emphasized the fulfillment of the goals planned in the areas of health, agriculture development, education, construction and transportation.

The communique stressed the role played by the medical brigades sent by Cuba to help the Nicaraguan people; the training, in Cuban schools, of 2,000 Sandinist teachers who have already joined the literacy campaign, and the support given in the struggle against the dengue epidemic.

RODRIGUEZ MEETS WITH SWEDISH PRIME MINISTER

FL142056 Havana Radio Reloj Network in Spanish 1902 GMT 14 Mar 86

[Text] Ingvar Carlsson, Swedish Prime Minister and president of the Social Democratic Labor Party, has met with Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers.

Rodriguez is representing the Communist Party and state of Cuba at the funeral service for former Prime Minister Olof Palme, who was assassinated. The Cuban vice president is accompanied by Lionel Soto, secretary of the Communist Party of Cuba Central Committee.

Rafael Rodriguez gave Carlsson a message from Cuba's highest leader, Commander in Chief Fidel Castro, in which he expresses his most sincere condolences on Palme's assassination in the name of the president of the Councils of State and Ministers, the Communist Party, and the Cuban Government.

Carlsson was appreciative of the Cuban vice president's words and stressed that Palme's death is a hard blow to Sweden and a great loss for the Social Democratic Labor Party and for him personally.

VEIGA MEETS WITH SOVIET TRADE DELEGATION

FL150030 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Mar 86

[Text] Roberto Veiga, member of the Communist Party of Cuba Politburo and secretary general of the CTC [Central Organization of Cuban Trade Unions] has met with a high-level Soviet trade union delegation headed by Vladimir Sergeyev, chief of the Relations with Trade Unions in Socialist Countries Department of the All-Union Central Council of Trade Unions.

During the fraternal meeting, opinions were exchanged on the bilateral labor of the two trade union centers as well as topics related to the international trade union movement.

CASTRO REPORTS TO POLITBURO, SECRETARIAT

FL141322 Havana Radio Progreso Network in Spanish 1200 GMT 14 Mar 86

[Text] First Party Secretary and Commander in Chief Fidel Castro has presided over a meeting of the Politburo and Secretariat of the Central Committee, at which he gave a broad, exhaustive report on his recent trip to the USSR and the DPRK. Fidel stressed the importance of the deliberations and agreements of the 27th CPSU Congress, and described his meetings with the secretary general of the CPSU Central Committee, Mikhail Gorbachev, as very fraternal.

The commander in chief also referred to the meetings held with numerous party and state leaders of the USSR in which the excellent relations between Cuba and the USSR were obvious.

In describing his visit to the DPRK, Fidel described as admirable and exemplary the achievements of the Korean people and described the multiple fields in which Cuba and the DPRK can reinforce their ties and types of cooperation.

CENTRAL COMMITTEE MEMBER ZUBIAUR MIR DIES

PA161650 Havana International Service in Spanish 1600 GMT 16 Mar 86

[Text] Noel Zubiaur Mir, member of the Central Committee of the Communist Party of Cuba, who has died in Havana from a heart attack, will be buried in the Colon cemetery this Sunday. He was also secretary general of the Cuban Workers Federation in Havana Province.

HAITIAN GOVERNMENT PLEDGES TO PAY $2 MILLION DEBT

PA152338 Paris AFP in Spanish 0518 GMT 15 Mar 86

[By Ramon E. Colombo]

[Excerpts] Santo Domingo, 14 Mar (AFP) -- The diplomatic conflict between Haiti and the Dominican Republic, which reached a climax last night with unofficial rumors about the reinforcement of vigilance on both sides of the border, appeared to be on its way toward a solution today. The Haitian Government has admitted owing the Santo Domingo government the $2 million that the latter demands. At noon, the Haitian Government released a communique signed by General Henri Namphry, chief of the National Government Council, pledging to pay the $2 million that the Dominican state sugar council delivered to dictator Jean-Claude Duvalier through his ambassador here.

In its communique, the government junta denied recent statements by Haitian Ambassador Herve Denis -- already transferred to Geneva -- who charged the Dominican authorities with being "liars." He denied having ever received this money, which represents partial payment for an official contract to hire laborers to cut sugarcane. According to the communique, Denis' statements were "personal" and do not commit the Port-au-Prince government. In addition, the Haitian Government asserted that the 3,000 Dominicans who live in Haiti are fully protected against groups of demonstrators who recently expressed an anti-Dominican stance.

FOREIGN MINISTRY ON THREATS TO DIPLOMATS IN HAITI

PA150435 Paris AFP in Spanish 1352 GMT 13 Mar 86

[Excerpt] Santo Domingo, 13 Mar (AFP) -- The Dominican Republic's Foreign Ministry has reiterated to the Haitian Government that "acts of provocation, intimidation, and threats" against Dominican diplomatic personnel in Port-au-Prince must cease. Meanwhile, the Haitian Embassy in Santo Domingo has given assurances that the Dominican officials in the Haitian capital will be adequately protected. The Dominican request, communicated last night by Foreign Minister Jose Augusto Vega Imbert, comes at a time when attacks against the Dominican Embassy have worsened, encouraged by Haitian groups protesting the bad treatment of the laborers that come from Haiti to cut sugarcane. Vega Imbert made this request after he received a letter from the Haitian charge d'affaires who, following instructions from his government, said that Dominican diplomats in Port-au-Prince will receive special protection. During the past few days, groups of demonstrators have maintained a constant siege on Dominican diplomats, and have sworn that they "will never again" cut sugarcane in the Dominican Republic in protest of the "slave treatment" they have received here.

PHYSICIANS CALL OFF 72-HOUR STRIKE 14 MARCH

FL141444 Bonaire Trans World Radio in English 1130 GMT 14 Mar 86

[Text] Hundreds of doctors striking against government-run hospitals and clinics in the Dominican Republic have ended their strike 1 day ahead of time. The 72-hour strike was called to demand better working conditions. It was called off after 48 hours when an aide to President Salvador Jorge Blanco said the president would meet with the doctors to discuss their demands. The doctors are demanding better equipment, basic supplies, and reparis in the nation's 98 government-operated hospitals and clinics.

ARUBA

NETHERLAND'S ENVOY ON DISMANTLING LAGO REFINERY

FL121600 Bonaire Trans World Radio in English 1130 GMT 12 Mar 86

[Text] The special Dutch Government envoy to Aruba, in the Netherlands Antilles, says the Lago Oil refinery in Aruba will not be reopened. He made his comments after discussions with the Aruban Government.

He said all aspects of a possible reopening of the refinery had now been carefully studied and that the Aruban Government will now negotiate with the owners of the refinery -- the Exxon Oil Company -- on the terms for dismantling the plant, which will cost between $50 and $100 million.

HAITI

TWO MINISTERS RESIGN; REPLACEMENTS APPOINTED

PA171218 Paris AFP in Spanish 1021 GMT 17 Mar 86

[Text] Port-au-Prince, 17 Mar (AFP) -- Two ministers of the Haitian Government resigned yesterday, a communique of the Government National Council (CNG) announced last night.

The two ministers that resigned are Commerce and Industries Minister Odonel Fenestor and Agriculture, Rural Development, and Natural Resources Minister Montaigu Cantave.

Both men had been ministers during the Jean-Claude Duvalier presidency, and were challenged by the staff of their ministries when they were appointed.

The new minister of agriculture, rural development, and natural resources appointed by the CNG is Gustavo Menager, an agronomist who has been director general of the Organization of the Development of the North in Cap Haitien. The new minister of commerce and industries is Leonce Thelusma, who served under the previous regime, but a few days ago resigned his post as director general of the National Bank of Agricultural and Industrial Development following a conflict with the staff.

POSTAL WORKERS' STRIKE SHUTS DOWN MAIL SERVICES

FL131522 Bonaire Trans World Radio in English 1130 GMT 13 Mar 86

[Text] Taxi drivers in Haiti who had been on strike since Monday are back at work now, but Haitian postal workers have walked out. The country's entire mail service shut down yesterday morning as the postal workers went on strike seeking the ouster of their director general and higher wages.

The postal workers' walkout is the latest in a series of sudden strikes which have affected the government-owned electricity company, the telephone company, customs workers, immigration officers, and water company employees over the past 3 weeks. In most cases, strikers are demanding higher wages and the ouster of officials appointed by the government of former President Jean-Claude Duvalier.

FBIS DAILY REPORT
CONTENTS

Latin America

Vol VI No 052

18 March 1986

INTER-AMERICAN AFFAIRS

- C.A. Presidents Endorse Nicaraguan Talks [NOTIMEX] A 1
- Bases for Nicaragua-Costa Rica Agreement Approved [Managua] A 1

ARGENTINA

- Peru's Alan Garcia Arrives on Official Visit B 1
  - Addresses Congress B 1
  - Peruvian Loan Rate Reduced B 11
  - Alfonsin Speaks at Dinner B 12
  - Joint Declaration Signed B 13
  - Garcia Holds Press Conference B 14
  - Further on Press Conference B 15
  - Garcia Departs B 16
- L.A. Army Conference Hears Falklands Plea B 16
- Lines of Credit Exchanged With Poland B 17
- Briefs: Grain Harvest Slumps B 17

BOLIVIA

- Senator Cabezas on Drug Trade as Economic Problem C 1
- Finance Minister Discusses Agreement With IMF C 1
- Bedregal Proposes Tin Market Alternative C 2
- Education Minister Discusses Economic Situation C 2
- Court Wants Apolitical Trial of Garcia Meza C 3
- Paris Paper LE FIGARO Interviews Hugo Banzer [15-16 Mar] C 3
- Briefs: Armed Forces Inspector General C 4

BRAZIL

- Government To Investigate Nicaraguan Training [O ESTADO DE SAO PAULO 15 Mar] D 1
  - U.S. Charge d'Affaires Summoned D 1
- U.S. Mercenaries Allegedly Aboard Detained Ship D 1
- Newspaper Contradicts Sodre Statements on Cuba D 2

CHILE

- Junta Member on UN Report, Regan Remarks E 1
  - Cuadra on Regan, Guerrillas E 2
- Del Valle on Delegation to PRC, Wagner Visit E 2
- Government Renews State of Emergency Decree E 2

COLOMBIA

- Hundreds Attend Fayad Funeral in Cartago F 1
- Police Report 35 Guerrillas Killed Near Cali F 1

ECUADOR

- General Vargas Held at Army Barracks in Aloag G 1
- State of Emergency Lifted; Radios Reopened
- Jorge Bracho Named New Health Minister G 2

PARAGUAY

- Saldivar Says Comparison With Chile 'Unbearable' H 1
  [Vienna DIE PRESSE 12 Mar]
  - Saldivar Evaluates European Trip H 1
    [ULTIMA HORA 15 Mar]
- South African Deputy Defense Minister Arrives H 2
  [PATRIA 16 Mar]
- 'Levi Plan' Proposes Opposition Coalition H 2
  [EL DIARIO 7 Mar]
  - Political Leaders React H 3
    [LA TARDE 11 Mar]
- Episcopal Conference's Statement on Dialogue H 4
  [LA TARDE 13 Mar]
- Official Defends Police Action in Alfonso Loma H 5
  [LA TARDE 17 Mar]
- Council of State Upholds Romeo Acosta's Immunity H 5
  [HOY 14 Mar]

PERU

- L.A. Parliament Head on Reagan Plan for Contras J 1
- Terrorist Attacks Include Bombings, Murders J 1
  - Argentine Consulate Strafed J 1
  - Civil Guard Members Attacked J 1
- Government Faces Wave of Stoppages, Strikes J 2
- Air Force Chief Begins Talks on Mirage Deal J 3

MEXICO

- Nicaraguan Official Condemns U.S. Policy M 1
- Soviet Ambassador Discusses Nuclear Test Ban M 1
  - Views Disarmament, Foreign Debt M 1
- President Rejects Foreign Solutions to Problems M 2
- De la Madrid, Lusinchi Discuss Oil, Debt Crises M 2
- Finance Minister Calls for Increased Exports M 4
- Foreign Secretary Departs U.S. for Sweden M 4

PANAMA

- Strikes Continue; Labor Code Amendments Passed N 1
  - Suspension of Rights Considered N 1
    [EXTRA 17 Mar]
  - 77 Percent Join Work Stoppage N 1
  - More on Management Strike N 1
    [LA PRENSA 16 Mar]
  - Labor Code Amendments N 2
    [MATUTINO 17 Mar]
  - Labor Minister Comments N 5
- Briefs: New Area Envoys Appointed N 6

CENTRAL AMERICA

COSTA RICA

Monge Denies Existence of Accord With Nicaragua P 1

EL SALVADOR

Duarte on Possibility of Rebel Dialogue [EL MUNDO 15 Mar] P 1
Guatemala's Carpio Cited on Area Summit P 2
Gen Bustillo on Use of New U.S. Aircraft P 3
Citizens March in Support of Economic Measures P 3
Bomb Attack Destroys Census Bureau, Files P 4
    Building Completely Destroyed P 4
Rebels Report Results of Transportation Stoppage [Venceremos] P 5
    Stoppage Lifted [Venceremos] P 6

GUATEMALA

Costa Rica's Arias Visits, Meets Legislators P 6
Vice President Carpio Prepares Regional Summit P 7
GAM Opposes Gen Lobos' Diplomatic Appointment P 7
Private Sector Disagrees With Economic Proposal P 8
Cotton Growers Criticize Government Policy P 8

HONDURAS

President on Actions of First 40 Days in Office [LA TRIBUNA 10 Mar] P 9
Government Supports Salvadoran Peace Proposal P 10
Costa Rica's Arias Holds Press Conference P 10
Army, Sandinists Exchange Fire Along Border P 13
U.S. Troops Linked to Comayagua Health Problems P 14

NICARAGUA

Reportage on Reaction to Reagan Speech P 14
    Ortega Comments P 14
    Says Palme Death Benefits Reagan P 15
    Radio Sandino Reaction P 15
    Labor Leader Cited P 17
    TANA Issues Communique P 17
    Reagan Policy 'Interventionist' P 18
UN Representative Discusses Reagan's Policy P 19
Cuban Mixed Commission Concludes Work Session P 19
    Agreement Outlined P 19
Government, EPS Honor Cuba's Arnaldo Ochoa [BARRICADA 12 Mar] P 20
Costa Rican Ambassador Presents Credentials P 20
FDN on 'Increased' Military Operations in North [ACAN] P 21

CUBA

'Dangerous Tone' Alleged in Reagan Contra Speech Q 1
  Aid 'Intolerable Interference' Q 1
  Sasser Speech Noted Q 1
U.S. Envoy Habib Completes Tour of Area Q 2
  Visit Seen as 'Pressure' Q 2
Guantanamo Base Modernization 'Provocation' Q 3
Rodriguez Meets Former Venezuelan President Q 4
Briefs: Ambassador to Ethiopia Appointed Q 4

CARIBBEAN

Caricom To Study CBI, TCF at July Summit S 1

ANTIGUA-BARBUDA

Bird on Need for Increased U.S. Economic Aid S 3

GRENADA

Blaize on Needed Aid To Cover Budget Shortfall S 3

HAITI

Government To Hold Elections 'Some Time' in 1987 S 4

JAMAICA

Seaga Announces Funding Program for Exports S 4

C.A. PRESIDENTS ENDORSE NICARAGUAN TALKS

FL171938 Mexico City NOTIMEX in Spanish 2342 GMT 15 Mar 86

[Text] Tegucigalpa, 15 Mar (NOTIMEX) -- Presidents Vinicio Cerezo and Jose Azcona of Guatemala and Honduras, and President-elect Oscar Arias of Costa Rica today said the Managua regime should hold talks with the Nicaraguan rebels. In a communique released here, Cerezo, Azcona, and Arias said they support a proposal by Salvadoran President Jose Napoleon Duarte advocating conversations between the Sandinist government and the contras in an effort to put an end to the ongoing armed conflicts on the Nicaraguan border with Honduras and Costa Rica.

The communique noted that because of their high offices and knowledge of the storm threatening Central America, the presidents know that peace and understanding can be found only through a dialogue as well as those peoples' solidarity in exercising democratic principles. The document added: Those of us who want to eliminate all possibilities of war will firmly support all measures, such as President Duarte's proposal, contributing to ending violence and bringing together the feuding sides.

The communique stressed that in addition to the support given toDuarte's initiative, the leaders are convinced that a broad and resolute effort by all democracies in the world is needed to persuade the Nicaraguan leaders to recognize the urgency of opening a dialogue and thus creating the proper conditions for achieving peace on the isthmus.

BASES FOR NICARAGUA-COSTA RICA AGREEMENT APPROVED

PA142323 Managua Radio Sandino in Spanish 0000 GMT 13 Mar 86

[Text] Today Costa Rica and Nicaragua approved the bases for signing an agreement for the control and supervision of their 398-km common border, under the sponsorship of the Contadora Group. A Nicaraguan delegation led by Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco and a Costa Rican delegation led by Deputy Foreign Minister Gerardo Trejos met today -- under the auspices of the Contadora Group deputy foreign ministers -- at the Costa Rican Foreign Ministry to discuss the details concerning the permanent commission for border supervision and control. Reports from San Jose reveal that the bases established for the creation of the commission are as follows:

1. The commission will be composed of eight civilian delegates from the four Contadora Group member countries and four Support Group member countries;

2. The commission will be given the appropriate military advice for the better fulfillment of its role;

3. The commission will use two helicopters, eight four-wheel-drive vehicles for rural areas, and two motorboats;

4. The commission's expenses will be paid by countries which have offered their economic cooperation.

The commission will present a monthly report to the Contadora Group. A commission was appointed during today's meeting for drafting the Nicaraguan-Costa Rican agreement, and the document will be signed and implemented in the near future. The Contadora Group, through its deputy foreign ministers, states its satisfaction over the solution of the dispute between Costa Rica and Nicaragua concerning their border situation.

PERU'S ALAN GARCIA ARRIVES ON OFFICIAL VISIT

PY141407 Buenos Aires TELAM in Spanish 1342 GMT 14 Mar 86

[Excerpt] Buenos Aires, 14 Mar (TELAM) -- Peruvian President Alan Garcia arrived in our country at 1030 today, thus starting a 3-day official visit to Argentina. During his stay he will meet with President Raul Alfonsin, address Congress, sign a joint document, and give a press conference. Garcia was met at the Jorge Newberry Airport by President Raul Alfonsin and the members of his cabinet.

Addresses Congress

PY142358 Buenos Aires Domestic Service in Spanish 2124 GMT 14 Mar 86

[Speech by Peruvian President Alan Garcia Perez before special joint session of Argentine Congress held in his honor in Buenos Aires -- live]

[Text] Mr President; Messrs Legislators:

Upon greeting, in the name of the Peruvian people, those who represent the democratic will of the Argentine people, I wish to extend my gratitude for the warm welcome with which I was received, and through me the Peruvian people. I am here also to reassert what is part of traditional history: the friendship of our two nations and the deep affection that each Peruvian heart and home harbors for Argentina, which we believe is flesh of our own flesh and with which we share the common bond of being Latin Americans.

It is as a Latin American citizen that I am visiting this part of our Latin American land to categorically express that those of us who are responsible for installing a nationalist and just government in Peru are aware that any revolutionary effort that is limited to the borders of our own country will be a precarious and temporary effort. [applause]

This is why when we speak in Peru about a nationalist democracy, we are not only referring to Peru. We believe we are part of what will be a revolution at the continental level, and we understand that without a united Latin America there can be no deep changes in Peru. [applause]

We may be able to ease the impact of poverty but a revolution aimed at improving the well-being of the people, and acquiring development, and technology can only be achieved if we are able to join other nations and together make a great and important new decision.

Gentlemen: I am here as a Latin American citizen to offer and to seek solidarity for a single cause at a time when Latin America is becoming aware of its problems. I am here at a time when the foreign debt is jeopardizing our destiny; at a time when imperialist power is planning to intervene in our part of America and Nicaragua; at a time when all of us share the common problems of underdevelopment, misery, and a social order that in spite of our efforts is still unjust.

Gentlemen: Now more than ever it is our obligation to build a Latin American democracy whose revolutionary essence must be the bond that unites us in dramatic moments. Perhaps unknowingly, through their imperialist domination, our adversaries have compelled us finally to become aware of our unity. This is why my visit here is evidence of our solidarity in the beautiful process of building a new Latin America. I must add that if for some the visit of the president of Peru is a controversial issue, we believe it is a message of love. [applause]

The Latin American democracy will be built despite our differences, despite our disagreements; despite our selfish decisions. No one should give us any lessons; no one should show us the way. It is our duty to mutually support ourselves, and if we disagree on our decisions, we must share a strong will to support ourselves so as to maintain our solidarity in difficult times, and so that we Peruvians may know that an attack against Argentina is also an attack against Peru. [applause]

Peru is not a rich country in cannons or money. Peru has no imperialist leanings. It is a humble nation but a great nation in its moral power; great in its solidarity with Latin American nations. In its struggle throughout history Peru is and will always be beside Argentina.

This is why we have strongly identified ourselves with the recovery of democracy in this great country. This is a democracy whose path we are closely following because we feel it as ours, as does the great President Alfonsin, who is the moral expression of democracy in Latin America. [applause]

Like you, we also believe that democracy is the plural, common voice of the majority. It is also the broad avenue on which the people continuously write their history. We know likewise that the vanguard of democracy broadens our horizons.

In the development of democracy within our continent, first came the middle class, then the industrial workers, and afterward the peasants, who claimed their place; on this road of progress we are now paying homage to Hipolito Yrigoyen and Juan Domingo Peron as continental leaders. [applause]

We believe that democracy is freedom, that only the people may choose their rulers and also sanction them. We believe that there is no national problem that justifies a dictatorship, because the worst national problem is always a dictatorship. We believe that democracy means peaceful coexistence. The victory obtained by the use of weapons gives power by force. Force can win but its victory is always shortlived.

We know that we must learn the lesson from our recent past because democracy, gentlemen, means long patience. Now we know that any sort of violence leads to death, and it affects and hurts us that violence should have led us to the sacrifice of the youngest, of the students, of those who followed wrong ideals until death.

This is why this recovered democracy, whose moral values are personified in Raul Alfonsin, has learned from those historic lessons and has brought a message of life for all Latin America. Since democracy has to follow an ethical style, it cannot be abusive or arrogant, and it cannot loot. Democracy must be a factor of identification or closeness and most importantly in the case of the most humble citizens.

Politics involves good intentions, the limitations of reality, lack of understanding, and sometimes intransigence. This is why I repeat that democracy must be a daily effort of patience. At this point, because of their democratic conditions, our governments must first meet this challenge: Whatever our economic limitations or the intransigence found by our governments, our first obligation is to maintain human rights and respect for life. Nothing justifies torture. Nothing justifies disappearances or illegal executions. This is why from Peru, we greet this exemplary democracy, which for the first time has imposed a historic and necessary judgement on coups, teaching us that crimes against humanity will not go unpunished in future democracies. [applause]

The lesson taught by Argentina will serve as a punishment and warning to those who in the future dare to interrupt the people's democratic will. A moment ago I visited the Supreme Court of Justice in the name of Latin America to greet it as part of a democracy that punishes offenders. Thanks to Argentina, the times when dictators and coup plotters were ineffectively punished by history have been left behind. Thanks to the Argentine example, these people will be judged from now on by the law, not just by academic criticisms, but by imprisonment and shame. [applause]

If democracy represents freedom and the opinion of the majority, however, it must also represent a commitment of real transformation through justice. Democracy cannot coexist with exploitation and inequality. Democracy must exist to put an end to the unjust differences in the distribution of wealth and power opening the way to equal societies.

Democracy cannot exist if it is restricted by those who have wealth and privileges. [applause] Now that we are only 14 years away from the beginning of the third millennium, democracy cannot be what it was in the 18th century. Democracy without social change is not possible, and this is the second challenge for democracy in Latin America: to do justice without sacrificing freedom.

This is an example Peru can provide. We took office in the most serious crisis in the country's history with inflation and devaluation similar to those of other countries but with a much greater social reality of misery. In addition to all this, there was violence with thousands of casualties in recent years and with sensationalist reports about Peru spreading throughout the world.

Some people used to tell me that in the face of this situation it was necessary to have a government without a free press or labor unions and their collective demands, and without Congress and its control. We responded: Yes, we can be anti-imperialist and assure economic independence within democracy; the state can identify itself with the poor and the road to moralization can be started within democracy. All of these things can be achieved without getting away from democracy. It is not necessary to come out of exploitation to fall under the control of the state and the new domain class. It is not necessary to get rid of an economic domination to fall under another influence.

To those who believe that to achieve social revolution freedom must be curtailed, we reply that there cannot be socialism without freedom. Elections and decisions cannot be replaced by state bureaucracy or personal messianism. To be a democrat means to have confidence in the people, and in their capacity for understanding. To be a democrat means knowing how to explain and convince, not answering intransigence with totalitarianism. It means knowing that when the people understand the problems they will not be overcome by the magic solutions and demagoguery. The people may praise words but their permanent goal is moving ahead to victory.

Gentlemen, I have allowed myself to say these things to confirm our faith in democracy as the common faith of our government and people and to make a call to take advantage of this moment of the awakening of democracy which seems to be returning to consolidate a new Latin American democracy, a social, equal, anti-imperialist democracy, a democracy of the people and a government which dares to unite with other governments to give common answers to our common adversaries.

For us democracy is nationalism as a principle of identity, as the rescue of economic sovereignty and rejection of any intervention or condition. Democracy must define itself in response to the modern servitude created by the foreign debt and in defense of our natural resources. Nationalism does not mean seeing reality in terms of foreign and dominating theories. It means seeing reality with our own eyes.

The Cordoba University reform expressed this view of reality. This reform was seen by Victor Raul Haya de la Torre, the founder of my party. The Cordoba University reform was born in this land and it rescued the right to think and the building of Latin American culture. I say now using the same words of the Cordoba Manifesto: Men of a free republic, we must break the last chain tying us to the monarchy, and we must dare to decide to call things what they are. [applause]

We must follow the example of the reformers of the past. Even though I am in my mature years, I can still feel the impulse and vigor of the university reform. Driven by this impulse and this vigor, I will ask you to build up the concept of Latin American development, putting aside foreign dictated economic theories. Our history is the history of our increasing dependence on the world economy. In the absence of a continental plan, we have lived in isolation, adjusting ourselves to the interests of international capitalism. All our countries, without exception, have gone through the same thing.

We are raw material exporters between the middle of the 19th century and the great depression in 1930. Afterward, when international capitalism became the multinational industrial imperialism, we became buyers of factories and technology. On several occasions we concentrated equipment in some cities, developed new consumption habits, consolidated centralism, and fostered our own disintegration.

Later, in the 1970's, international capitalism sought to defend itself from high oil prices by increasing its sales, by increasing the interests on the existing debt, and by reducing the repayment terms. In the face of this situation, each one of us independently opened its borders, purchased foreign goods, destroyed its own industry, and agreed to the dramatic condition of contracting new loans to repay the debt.

Today we see -- we must see -- that the path that all of us have taken has led us to a blind alley. Yet this path has also exhausted our dependence. Therefore, the crisis has affected dependence itself. The crisis will not be solved without Latin American unity, without a sovereign determination. Neither will it be overcome unless we free ourselves from the theoretical taboos that have long governed us. Democracy is freedom and nationalism. Yet it must also be a model of growth and justice. Previous governments accepted IMF theories as absolute and universal principles for a long time.

Dressed in new clothes, the old doctrine of liberalism has been imposed as a theory that advocates internal adjustment in our economies. First, this doctrine advocates equilibrium between the Latin American economy and the economy of the rich countries. Yet by opening our borders to foreign products, we did nothing but destroy our factories and our productive sector. We will always maintain that each country's main commitment should be to its own development and that it should not turn into a mere purchaser in the world economy.

Second, the doctrine of liberalism calls for equilibrium among the economic indexes of each system, stressing that if prices rise, the currency must be devalued, and that after the devaluation the interest paid on loans must be increased. The result of this is an escalation of inflation, which in turn increases poverty.

We believe the liberal approach calls for a passive attitude on the part of the government in the economic sector. Democracy must govern the economy and prevent disorder. In this regard, I praise the substantial progress achieved by both Peru and Argentina, because we have decided to do away with devaluations and the interest rate hikes.

The liberal doctrine also calls for equilibrium between supply and demand, stressing that without supply it is not possible to increase demand. We have said in Peru that to reduce the demand and to lower the people's consumption levels also cause recession. We are aware that to increase demand without redistributing income and wealth could fuel inflation in Peru if we maintained the improper social structure that we have inherited. We believe that democracy must imply redistribution, and that it should restructure demand in order to avoid concentration. Thus, when we say that we can increase demand to boost the production of food and staples, we are talking about promoting demand to help those who do not have a job or who belong to the poorer sectors. Inflation in Peru is not caused by excessive demand or fiscal deficit. Inflation is caused by speculation and monopolistic earnings and by the scarce consumption of the people.

The reactivation we seek to promote in Peru does not imply the reactivation of the modern and centralized sectors alone. It primarily implies the reactivation of the Andean craftsmen and vendors, who belong to the poorer sectors and who are the majority in Peru.

Therefore while liberal principles affirm that the distribution of wealth and income must come as a consequence of a natural equilibrium, we reply that this so-called equilibrium only serves to cover up the domination by the powerful and that democracy should be interpreted as government action for equality. [applause]

Finally, liberal principles demand equilibrium in the international revenue flows because it is said that development depends on credit, and everything must be sacrificed for development. This is why new credits are being proposed to us so that we can continue paying. The truth is that these principles of equilibrium and contractions led us in the last few years to the present crisis, from which we can expect nothing in Peru.

This is why we have high expectations for the new ideas that are born in America in the face of the crisis. These ideas deny those realities that were once thought to be absolute. This is why our nationalism cannot be intransigent. It must turn into an effort to become aware of our reality and to propose a theory for growth.

In all, our proposal coincides with that of Argentina. We also propose to have a democracy with freedom, national independence, and justice and to serve as a model of state reconstruction. All these goals would only be temporary however, if they did not have a continental sense. Therefore, the objective of this unity, which is the legacy of independence, has currently turned into an urgent claim. If we want to free ourselves from the hegemony of the great powers and affirm our nonalignment, we cannot do it alone, but we can do it together. United as we are, Argentines, by the Andes, by our language, by religion, and by history, we must not be deceived by the bilateral treatment with which the financial system gains time.

Nowadays, it is also our turn to answer the Monroe Doctrine. During a cruel war a century ago, 1,500 Peruvians heroically resisted on Arica Hill. Among them was old Saenz Pena, who from that moment on became Peruvian to us, and who said the following in reply to the Monroe Doctrine: America for humanity. Nowadays, in this bipolar world, we must make progress by saying: Latin America for the Latin Americans. [applause]

United we must reply to any threat against any of us because even with our similarities and differences, we will only be respected if we remain united.

The moment demands that we speak up with a single voice about the Nicaragua issue. Some may say that there is no pluralism in Nicaragua, that the opposition is not heard there, that there is no freedom of the press. This might be the case. Others may say that the logic of events has led Nicaragua to this situation. This could be the case. We firmly believe in pluralistic democracy, but no one, and much less anyone from outside Latin America, is entitled to arbitrarily judge a process that emerged to overcome a totalitarian dictatorship, which had not been criticized before. [applause]

For this reason I greet the firm will of Argentine diplomacy, which together with Peru forms part of the Contadora Support Group, and which has made possible the Latin America presence in Central America through a civilian peace force to reduce pressures and to tell the international community that an act of hostility and intervention in Nicaragua will be an act of hostility and intervention against all of Latin America. I announce from this sovereign congress the Peruvian Government decision that if foreign forces invade Nicaragua, Peru will break relations with the aggressive power and make every effort to defend the brother country. [applause]

Neither regarding Central America nor the foreign debt issue can our countries and governments watch idly what is happening to their sister countries. We did not idly watch the Malvinas Islands conflict. We reaffirm now the Argentine sovereign right to those islands and wish to pay a heartfelt tribute to those who fell in that war, most of them young men. [applause]

Latin America cannot remain disunited. Economic subjection and the foreign debt are the modern forms of what occupation and military blockade meant in the past. The foreign debt is an issue that will have a far-reaching effect, irrespective of the decision or the position one might adopt. The debt, which can be traced back in history, has become a modern expression of imperialism. Its negative influence has steadily increased. All nations must understand that the debt is not an abstract issue that will never affect them. The debt has immediate effects on employment, food, and health. Whether directly or indirectly, the foreign debt has affected our salaries because of the interest rates charged by the creditor banks; and it has had a bearing on the government's expenditures. The debt has become the most burdensome tax paid by our peoples and countries.

At this point, I wish to welcome the efforts made by President Alfonsin, who was the first one to make a solitary and misunderstood effort to promote awareness within the continent regarding the significance of the debt issue. [applause]

We fully endorse the Argentine view that the debt is a political issue and that the creditors are equally responsible for the large debt. We endorse the view that we will not be able to pay our debt if we continue to accept usurary interest rates and if we remain passive in the face of the decline in our export prices.

We endorse the Argentine view of not passively accepting conditions in our economic policy. We again welcome the Argentine efforts aimed at promoting a concerted political action within our continent. On this topic, I wish to explain the Peruvian position I want to start by saying that each country has specific conditions, a different production structure, and a different standing in the international economic system. We believe that despite the independent courses of our actions, the most important thing is the need for solidarity with each other when any of us is threatened with problems.

We know that the debt was prompted by the unfair prices paid for our raw materials and by the disproportionate prices paid for products from developed countries. How much does oil cost now and what effects has this price drop had on the economies of Mexico, Venezuela, Ecuador, and Peru? What prices are being paid for meat and wheat, and what effects are these price drops having on the Argentine people?

We cannot regard as normal the laws governing the international market. To accept the colonialist powers used by the most powerful countries, and to endorse the ostensibly realistic position of those who expect prices to go up again, would make us fall into a passive, unsound, wait-and-see position.

Furthermore, to believe that our problems will be solved through a future worldwide expansion that will make the prices of raw materials rise is to rely again on a mechanism that has already failed us. We, the developing countries, have paid and will continue to pay for the expansion of the North and no developing country should expect exceptional or privileged treatment. Instead of waiting, we should understand that we must make a joint effort to promote Latin American expansion and the well-being of our peoples. [applause]

Yes, the wide gap stemming from the difference in prices had to be bridged with foreign loans, which have been sharply increased by the accruing interest. We regard interest as a brazen instrument to collect foreign currency and to cover the deficit of wealthy countries, especially of the most powerful country.

Several studies have shown that two-thirds of the Latin American debt has been deposited in industrialized countries. Therefore, we must ask them to disregard the immoral practice of bank secrecy and supply us with the names of the owners [applause] of these accounts because otherwise financial institutions will continue to be accomplices to the plundering of Latin America, and it would be unethical for them to continue collecting their money. Therefore, we should and must ask them why they are charging us if you are the ones who have the money.

In this regard we agree with and support the theory that interest rates for our debt should be much lower than what is presently charged, something like a Latin American interest rate that would drastically reduce the growth of the foreign debt. However, this interest rate must be established through a sovereign Latin American decision because it is very unlikely that it will be the result of a gracious concession by the powerful international economic groups.

In addition to high interest rates, there is also a hegemony and an overvaluation of the dollar as an international currency. This is precisely the core of the issue. When in 1946 the countries of the world signed the Bretton Woods Agreement, we agreed to fix the dollar rate based on a gold standard, but we did not agree to establish the dollar as an international currency to be issued by a single country. But in 1971, when the U.S. Government freed the dollar from the gold standard and made it nonconvertible, the Bretton Woods Agreement, which was signed in 1946, ceased to exist. Despite this, we continue to accept the hegemony of a single international currency; we continue to accept that there is a single international currency that is in the hands of a single country that issues this currency with absolute freedom, thus exporting its deficit; and we continue to accept the fact that there is a single country that can increase its interest rates at random affecting all of us. This is the truth.

This is why if we are to achieve a more just economic order for all countries, there must be a reform of the monetary system and equal treatment regarding the creation of world-wide liquidity.

We shall not resign ourselves to be subordinate satellites of a single country that prints money. If this fact is not accepted it is our obligation to cease complying with what is only the appearance, the empty shell of what was signed in 1946.

In this regard we support the declarations issued by the intergovernmental commission of the Group of 24, which calls for establishment of a committee of countries to study the reform of the international monetary system. But this situation will not be changed through complaints or words. In Peru we did not make a decision based on emotion, but on our belief that in the debt lay the historic power of debtor countries and on the fact that nothing or very little can be expected from the financial system since it will never act against its own intersts. On the contrary it will continue to implement its policy to divide and discuss issues at the bilateral level.

This is why we have made a sovereign decision despite the risks involved. To those who warned us about what might happen, we say that those who built our nations with suffering and blood in an adventurous undertaking aimed at achieving freedom and independence, would not have achieved their objective if they were to ask themselves, as many of us do now, what will happen if we decide to assume a role in deciding our own destiny. [applause]

Fellow Argentines: this is why we believe that the proposal made in Seoul, under the so-called Baker Plan, which offers new contributions to international credit, is simply more of what we have already experienced. It is merely a dissuasive offer aimed at gaining time that offers us a temporary solution that will only last a few months, in exchange for the acceptance of a condition that seeks to perpetuate a endure heavily-taxed multinational development structure.

We, gentlemen, like San Martin in spirit, believe that history must take another course. As the good San Martin said in Mendoz, it is true that we will have to a money shortage, a paralyzation of commerce and agriculture, face all kinds of hardships, and overcome all kinds of troubles. All this is nothing, however, compared to enduring the heavy and shameful yoke of slavery. [applause, shouts]

Nevertheless, in addition to all this, there is the IMF intervention and its formulas for Peru [corrects himself] whose formulas for Peru proved to be nefarious, destroying industry, throwing Peru into debt, devaluating the currency, and further impoverishing the poor. The IMF proposals for austerity and cutbacks in expenditures bowed, as we all know, to the substantial interests of the international financial oligarchy in order to create surpluses to satisfy their ravenous creditor ambitions.

What austerity can the IMF think about? The IMF is an organization that in the 1960's, when it was necessary to invest the petrodollars in credits, encouraged irrational indebtedness, unnecessary imports, and unproductive investments. This is the austerity about which the IMF is now talking. This austerity will bow only to the mandates and orders of the international financial oligarchy. Because we do not recognize the theoretical or moral authority of the IMF, we have decided not to apply its formulas in Peru or to accept it as a mediator before our creditors. [applause, shouts]

We have decided to prevent their technocratic missions from reviewing, fumbling, and orienting our economy, which is sovereign.

When speaking of the IMF, I could paraphrase Jose Hernandez [Argentine author] stating that I already know their tricks, their bargains. I know how they fix the game. They tangle it and mischievously manage it. I will untangle the skein even at the cost of my life. [applause, shouts]

For all these reasons and with the evidence of the heavy burden exercised by the foreign debt on our reserves and on the budgeted tax revenues, we have decided to restrict payments on our foreign debt to a value not surpassing 10 percent of our export revenues. [applause, shouts]

Some people say 15 percent while other people say 12 percent. This is just an unimportant detail. What really matters is that we have decided to set our own rules, to dictate our will, and to declare our independence. [applause, shouts]

Why? Because, gentlemen, that means to relate the value being paid to our manpower and our raw materials with the amount demanded for payment. This is not a demagogic action. It is not a fit of passion. It is the need to find again the right balance between our poverty, which was caused by them, and the development requirements demanded by our peoples.

Although we are being accused of having made a unilateral decision, we have done so not only for Peru but for the world's poor people. [applause]

We, the debtor countries, have complained a lot and have made many proposals. However, we think it is time to dictate our will. This does not rule out the possibility of being able and willing to negotiate with the creditors. This does mean to be able to first make a decision and then negotiate without mediators but within established boundaries.

In 1986, we are to pay much more than $2 billion just in interest on the Peruvian debt. In addition, we are to pay nearly $3 billion in overdue interest from 1984 and 1985. That is, in 1986 we would have to pay nearly $6 billion on the debt while the total value of our export revenues barely exceeds $3 billion. This is so because petroleum, copper, silver, and fishmeal prices continue dropping and because, owing to protectionism, purchases on our textile products and canned foodstuffs are being increasingly restricted.

Now you will clearly understand the reason for our decision. Some observers have said that the result of this decision will be an increase in the debt and in the interest rate. This is a pessimistic view, because from now on, our decisions will serve to change the prevailing situation, and we know that the future will be different, particularly if all Latin American countries take a common stand.

In addition, the debt issue involves two clearly different views: That of creditors, who believe that interests accrue, and that of debtors, who establish a ceiling for their payments and set their own rules, disregarding the interest that creditors take for granted.

Interest reflects the cost of money over a certain period. If a ceiling is imposed, the repayment period must be extended and the interest changed. This is the essential premise underlying the Peruvian decision. That is, the time periods should not mean the same to creditors and debtors. For the first time, the debtor will set his own time periods.

I admit that this decision has been made specifically for our country. It is not a model that we want to export as a messianic example. Neither is it a lesson, because all of us should admit that we are equal and we must be willing to find our similarities in spite of our individual differences.

Our decision has been borne out by the efforts that other countries, including Argentina, have made to ensure that their people will be respected.

The reply to this action and to other proposals has thus far been a warning: The country that breaks international rules will not receive much foreign aid. We need foreign investment, capital, and technology under just and nationalistic rules. We do not believe in the myth that commercial loans are the only or the essential tool for development.

If we review the estimates that we have reviewed so many times, we will conclude that loans are used to repay previous debts, thus increasing the interest to be paid in the future. We firmly believe that Latin America can grow and achieve its own development by changing the distribution of income, the decisionmaking structure, the consumption model, and the structure of the productive sector. Latin America can grow.

This morning, as I was flying from north to south over this vast country, which is also the country of all Peruvians, because it forms part of Latin America, a country where my wife, my life-long companion was born [applause], I saw for myself the wealth of Latin America. We believe that Latin America can grow and thus command the respect and independence that it deserves. In the case of Peru, we do not believe it will grow on the basis of a dubious accumulation of credits that will exhaust our capital. The Peruvian growth is intimately linked to the improved distribution of wealth and to the setting in motion of the productive apparatus, which has been battered by the crisis.

Possible commercial and economic sanctions have also been announced. It has been announced that Peru will be declared ineligible because it has not respected the theory of the International Monetary Fund. We choose to be ineligible.

A glance at Latin American history will show that its relations with international capitalism has always involved sanctions. The Roman 12-tablet laws stated that creditors could cut up the debtor's body in proportion to their credits. Later, the debtors who could not return their debts were sold as slaves. We say that the Peruvian national salary, which is the product of its exports, cannot be impounded, just as the law states that one's salary and his instruments of work cannot be impounded.

Argentines, on behalf of Peru I tell you that we will not be cut in pieces or sold as slaves. [applause]

I also know that the announced sanctions will not work if the Latin American countries, whatever our path, our position, and our decision, support each other, and if we agree that hostility against one of us means hostility against all of us.

This is why when it is said Peru is alone in making a sovereign decision I say as a Latin American that it is not so, I say that Peru is acting with and in name of the people of the continent. I say that Peru is with Argentina, the country from where the Drago Doctrine emerged in 1912 and from where the voice of solidarity will emerge. [applause]

When in 1912 a European fleet established a blockade around Venezuelan ports to collect a debt, a doctrine was named for an illustrious Argentine, who said that no one can forcibly collect a debt from a country. As a Latin American, I am convinced that in the event of a country being threatened, there will be enough voices and actions to enforce our original independence message.

Peru is behaving this way because it is confident of this principle, that the brother peoples of this continent will not put us down. For these reasons Peru has made this decision to first pay the historical debt of water, health, and work to all its people who are living in misery; not to renounce growth and at the same time to begin a process of better distribution.

These times in our continent demand the integration of our actions to turn something possible into an immediate reality. It has therefore been proposed among other things that the current Andean Reserve Fund, which groups five countries as an institution, include other countries in order to become a kind of Latin American reserve fund. It has also been proposed to hold a Latin American presidential summit, which would be historic if it is not called by the hemisphere's most powerful country. This should be thought of not as a one-time possibility but as a periodic and annual forum at which we can consider our decisions.

Besides the actions regarding Central America and the expenditures on weapons restrictions we are observing daily, the progress of a continent that is gradually being known as a single nation. Within this framework we salute the will of the Argentine people, headed by their president, for having provided a valuable solution to the Beagle Channel border dispute. [applause]

I reiterate, gentlemen, representatives of the people, now that I am concluding, that I am speaking in the name of Peru knowing that there will not be a possible and lasting transformation without continental unity. To the youth of this great noble country as well as of mine, I remind you that the revolutionary flag you will live under in the next century will be that of Latin American unity.

Now that we are nearing the third millenium, the forecasts and demands of the peoples have left a message saying; in the face of the debt and aggression, now is the time to build Latin America through unity because this is the revolutionary essence demanded by the future.

This is the Peruvian people's fraternal greeting and message. The economic anguish and the social problems will not force us to abandon the two challenges of our democracy: to affirm justice without renouncing freedom of life, and to consolidate our independence in a united way, as it was 150 years ago.

More out of feeling than of thought, we greet the Argentina of the old caudillos, of Guemes, Quiroga, of the large masses of workers, of the reformist youths, of the immigrants, we greet all the Argentines from the port, Pampas, and Andes by saying that Peru is close to them, and with the words of gaucho Martin Fierro I say: We will not lose the way, we make a good pair.

One hundred sixty-five years ago, San Martin arrived in our country and proclaimed Peru free and independent by the general will of its peoples. Today, to faces in the crowds and their dreams, we must say that Latin America will be free and independent by the general will of its people and by the fairness of the cause defended by God.

We will change the future, which to others seems distant, into a, transcendental, beautiful, and historical present by uniting ourselves now so those who come after us may know that at the critical moment we gained knowledge from our crisis, and capacity for action from our poverty. By all this, we Argentines and Peruvians, in the name of the poor peoples of the world, of those who dream, of those who wish for a tomorrow, in the name of justice, freedom, our aspirations for future, and our will, all of us, united, will turn our land into an authentic land of bread and freedom. Thank you.

Peruvian Loan Rate Reduced

PY152149 Buenos Aires TELAM in Spanish 2300 GMT 14 Mar 86

[Text] Buenos Aires, 14 Mar (TELAM) -- Argentine Foreign Minister Dante Caputo and Peruvian Foreign Minister Allan Wagner today agreed on a 1 point reduction of the interest rate charged on a loan Argentina granted to Peru in September 1981.

While Peruvian President Alan Garcia is visiting Argentina it was leaked that the foreign ministers have signed and exchanged notes implementing a reduction of the interest rate on the above-mentioned loan from 7.6 to 6.5 percent. The loan, totaling $200 million, may only be used to purchase Argentine-made products.

Alfonsin Speaks at Dinner

PY161346 Madrid EFE in Spanish 0331 GMT 15 Mar 86

[Text] Buenos Aires, 14 Mar (EFE) -- Argentine President Raul Alfonsin today agreed with Peruvian President Alan Garcia regarding the seriousness of the foreign debt problem, but advocated political dialogue between debtors and creditors. Speaking at the end of a dinner he hosted tonight in honor of the Peruvian president, Alfonsin said that the Latin American foreign debt created "the most serious and unjust crisis we are experiencing." The Argentine president asked for a reduction of the international trade situation and the limitation of transfer of resources from developing countries to the industrialized countries.

Alfonsin labeled the "Cartagena Consensus" as "the beginning of our answer to the most serious and unjust crisis we are experiencing: the foreign debt." Alfonsin said that "for Argentina the crisis is the result of a triple responsibility;" the contracting of the debt by the previous military regime, the "irresponsibility" of the international banks that loaned the money, and the fact that the "government assumed the debt and the losses created by speculation which had to be paid by the people."

Alfonsin, who spoke slowly in contrast with the energetic speech delivered by Alan Garcia in Congress a few hours before, made a call "to assume this issue with responsibility as a state and as a society." The president added: "In other words, carry out the necessary adjustments in our economies, reorganize public finance, fight inflation and make greater efforts to export." In addition, he stressed that "the developed countries must find new solutions for a problem that will not be solved by the market forces."

Alfonsin also said that "we have met our essential obligations. On the foreign front, we renegotiated with the best possible terms, and on the domestic front, we adjusted the economy and made every effort to ensure that the burden would be equitably shared." After stressing that "it has never been our intention to engage in a confrontation," the Argentine president, who turned 59 on 12 March, maintained that "it is clear that the debt problem will be solved through a political dialogue between debtors and creditors."

Concerning the Central American crisis, Alfonsin reiterated that "it affects us all," emphasized the work being done by the Contadora Group, and advocated a "balanced, reasonable, rational, and feasible solution." He then referred to the need for "a strictly Latin America alternative based on pluralistic democracy, the nonexistence of weapons and military bases in the area which could endanger peace, an end to military actions in the countries of the region, the absence of foreign troops or advisers, and the respect for human rights."

Shortly before leaving for the Buenos Aires Municipal Council, which hosted a dinner in his honor, the Peruvian president stepped out on the balcony of his room at the Plaza hotel in Buenos Aires and greeted some 1,000 people who chanted his name and sang the Peruvian and Argentine anthems and the "Peronist march." Visibly moved, Alan Garcia thanked the people for their expressions of appreciation and when the demonstrators shouted "he should stay," he replied "I will stay, I will stay with all Argentines, without exceptions."

Joint Declaration Signed

PY152251 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2137 GMT 15 Mar 86

[Text] Buenos Aires, 15 Mar (NA) -- The joint declaration signed here today by the Argentine and Peruvian presidents, Raul Alfonsin and Alan Garcia respectively, says that the two countries will provide each other with "reciprocal and effective" support on the measures implemented by either country "in accordance with its own situation" in defense of "the well-being of the people." They also ratified the principle "of self-determination and nonintervention" expressing their "firm support" for the efforts of the Contadora Group in Central America.

The joint declaration was released this afternoon after a meeting between the two presidents in the Olivos presidential residence. It represents a balanced synthesis of the position that the two governments have been sustaining independently. The presidents warned that the foreign debt "represents the most important political and economic problem being faced by the countries of the region. They said the debt problem is closely linked to the process of consolidating representative democracy in Latin America." In this regard they emphasized the need to hold a political dialogue leading to a "convergence of actions ensuring a thorough and stable solution, as well as equal distribution of costs."

They ratified their firm support for the Cartagena Consensus and decided "to join the efforts to maintain the necessary coordination among the debtor countries of the region to strengthen their capacity for solidarity and cooperation." The two presidents expressed concern over the "serious disproportion in the current cost-adjustment process, which falls exclusively on the developing countries" and reaffirmed "the principle of the shared responsibility of debtors and creditors for creating the debt and for solving the foreign debt problems."

They also expressed willingness to participate in the civilian commission for vigilance on the Nicaraguan and Costa Rican border and reaffirmed their support for the principle of self-determination of the people. In this regard the two presidents agreed on the importance of the Contadora Group and the Contadora Support Group, and on the need to stimulate "such forms of political cooperation within a broad scope through periodic meetings of the presidents of the region."

They also agreed on "the urgent need to democratize international relations and to establish a new international economic order to enable all countries to participate effectively in the decision-making process in the areas of peace, security and international development." In this regard the two presidents also called for "international justice in the distribution of the benefits of productive effort and progress." They also said it is necessary that "Latin America be recognized as an important participant in all matters related to the reorganization of international relations and the preservation of peace and security in the world."

The two presidents then emphasized "the growing agreement among all the countries of Latin America on the main issues of common interest and on the importance of progressive unity of convictions, ideas, and purposes, which have allowed the countries of the region to express themselves with greater unity and effectiveness." President Raul Alfonsin reaffirmed his willingness to support the bilateral and multilateral actions undertaken by the Peruvian Government aimed at preventing an arms race. On this issue the two presidents noted that the resources currently being appropriated for weapons should "be reassigned for the development and well-being of the people." They also expressed concern over "the never-ending nuclear arms race, which is increasing the threat of war," and warned that "the survival of mankind cannot depend on the concepts of security of the states which have nuclear weapons."

The Peruvian president confirmed "his government's firm support for Argentina's just claim of sovereignty over the Malvinas, Georgias, and Sandwich Islands, which have become an issue of great interest for Latin America." He also emphasized the importance of the recent Argentine decision granting Peru a $100 million line of credit to finance the purchase of Argentine agricultural and industrial products. Alfonsin and Garcia also instructed their foreign ministers to study the necessary measures for the preparation of a work program, and concrete proposals on matters related "to bilateral trade and compensated exchange, among other things."

They also expressed their "satisfaction over the growing democratization process in Latin America" and asserted that "the active solidarity among the democratic regimes will contribute to guaranteeing the preservation, defense, and full enforcement of freedom, and human rights." They also renewed their conviction that "democracy is the only adequate instrument to promote social justice and the well-being of the people and their right to self-determination within an international framework of full respect for the principle of nonintervention in the internal and external affairs of other states."

The joint declaration signed this afternoon also says that the Argentine and Peruvian presidents agreed to "strongly condemn terrorism in all its aspects" because "it is the most serious attack on human rights and the democratic system." Regarding the foreign debt, the two presidents said that for the Latin American countries the foreign debt "represents the most important political and economic problem being confronted by the countries of the region and that the debt problem is closely linked to the process of consolidation of representative democracy in Latin America."

They emphasized the necessity to hold political dialogues leading to a "convergence of actions to ensure a thorough and stable solution as well as an equal distribution of costs." In conclusion, they reiterated their firm support for the Cartagena Consensus and decided to join efforts to continue the necessary coordination among the debtor countries of the region to strengthen their capacity for solidarity and cooperation."

Garcia Holds Press Conference

PY161433 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1300 GMT 16 Mar 86

[All quotation marks as received]

[Text] Buenos Aires, 16 Mar (NA) -- Peruvian President Alan Garcia warned of the danger of "messianic leaderships or messianic leaders in Latin America, stressing that "we are witnessing the end of a historic process of dependence on international capitalism," and that we are about to begin "a new system, which we call continental and democratic, from the viewpoint of its own implementation, and also from an economic viewpoint." He added that the hemisphere "should be either for or against imperialism."

The Peruvian president made this statement during a press conference he granted at the General San Martin Cultural Center this morning shortly before leaving for Salta, where he will end his visit to Argentina which lasted just over 2 days. Garcia will stop over in Cordoba on his way to Salta. He will then fly directly to Lima.

During the press conference, Garcia denied that he can be regarded as "a Latin American leader," adding that this phrase was used "on the spur of the moment" in an introduction before one of his appearances in Buenos Aires. "I believe that Latin America needs the leadership of a clear idea, of an attitude, of a decision," he stressed.

He added: "I believe historic processes do not need messianic leaders or false personal or individual leaderships. I believe the worst thing that can happen to history is to attempt to identify it or synthesize it into a single person." He remarked that "I am absolutely convinced that people are only temporary, ephemeral. I believe that now we must be led by our own awareness and that we must understand that we are witnessing the end of a historic process of dependence in the relations between Latin America and international capitalism.

He added: "As we reach the end of this stage, we must become aware that we have to speed up its conclusion, so that we may enter the next stage, which we call the continental and democratic system, from the viewpoint of its own implementation and also from an economic viewpoint."

"I believe," he stressed, "that the worst thing that could happen to Latin America is to rely on individual leaders, because individual leaders cannot replace the people's awareness." Alan Garcia reiterated his criticism of the world financial centers, stressing that "Latin America must be either for or against imperialism."

Further on Press Conference

PY161501 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1355 GMT 16 Mar 86

[Text] Buenos Aires, 16 Mar (NA) -- Peruvian President Alan Garcia this morning said that "the Peruvian people are not going to let themselves be overcome by terror." Garcia made this statement upon denouncing the actions of the leftist terrorist organization Shining Path which he accused of advocating "the concept of violence for the sake of violence."

Garcia said that the government's antisubversive action being carried out "within the Constitution and the law" is again "returning the Andean values to Peru. This is one of the main issues of our policy: to rescue the Andes as a basic historic value, as a current force that comes from the Peruvian past."

The Peruvian president explained aspects of the struggle being carried out by his government against the Shining Path during a press conference given here this morning just before departing for Cordoba and Salta, the last stops during his visit to Argentina. He indicated that his government is carrying antisubversive repression "not disregarding law and order, and that the officials who were democratically elected by the people be respected because no government, and much less a nationalist government, can tolerate armed or coercive parallel actions."

Garcia also said that the Peruvian Government's "counterstrategy" in the face of subversive action "is to win over the impoverished zones through developments and a concept of nationalism and justice."

Garcia added that "we know that it is a long road" and that "what we ask the Peruvian people is to be patient in the face of this historic process and to understand that the process of violence is somewhat like 'modernization' in Latin America no one has escaped it."

Garcia emphasized that this process "is not only linked to poverty and development. It is also linked to the concept of violence for the sake of violence, therefore it is a game of patience for our democracy." He also pointed out that "our democracy struggles against the Shining Path and against violence, but not in the name of the international banks or in the name of any powerful monopoly." He added: Our democracy wants to transform Peru, and to do so it needs to struggle against subversive opinions and actions. I trust that all the Peruvian people advocate a new democracy, a social and economic democracy."

Garcia Departs

PY162242 Buenos Aires TELAM in Spanish 2227 GMT 16 Mar 86

[Text] Salta, 16 Mar (TELAM) -- Peruvian President Alan Garcia and his entourage departed from El Aybal Airport for their country just after 1900 [2200 GMT]. Just before his departure, the government of this province presented Garcia with a Salta poncho and a guitar.

L.A. ARMY CONFERENCE HEARS FALKLANDS PLEA

PY162305 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0010 GMT 15 Mar 86

[Text] Buenos Aires, 14 Mar (NA) -- Deputy Army Chief of Staff General Mario Sanchez today reiterated a charge, regarding the British military presence in the Malvinas Islands, which was made by the hemisphere's military institutions. He defined it as "a focal point of tension threatening the security and defense of the continent." Sanchez made these statements tonight during the ceremony to transfer the Permanent Secretariat Conference of American Armies [CEA] to Argentina, which will preside over it for the next 2 years. He also expressed the need for Argentina and Great Britain to resume direct negotiations. The ceremony took place in the Libertador Building, which houses the Army Staff, and the following people attended: President Raul Alfonsin, Defense Minister German Lopez, Defense Secretary Horacio Jaunarena, Joint Chief of Staff Brigadier Teodoro Waldner, Chilean Ambassador Arturo Fontaine, and military chiefs from all the countries of the continent.

In his speech General Sanchez recalled that during the last conference in Chile it "had been recommended" that the Argentine and British Governments resume bilateral negotiations "taking into account that the presence of an extracontinental force in the Malvinas is a focal point of tension threatening the security and defense of the continent."

Regarding what has been resolved about training, Sanchez emphasized that "courses are being taught" that "strengthen the values of democracy based on the idea that men of arms owe themselves to the communities from which they come. Therefore, they must respond by carrying out their role." Afterward, Sanchez said that "during these times of agression, the Armed Forces have a great responsibility to peace" and to the institutions that safeguard it within a framework of uncertainty and struggle in the world. Finally Sanchez recalled a quote by San Martin: "Either America becomes free by its own efforts or it will descend, humiliated, to the scaffold prepared by the tyrants."

The Chilean military attache, Brigadier Alejandro Gonzalez Samohod, said the conference's (objective) is to "achieve close understanding among the armies (?to undertake) a joint study of the problems of common interest, within the bounds of the Latin American continent in order to safeguard the security and the defense of the continent." The Chilean officer mentioned the ties of friendship that unite Latin American nations. He stressed the relations between Chile and Argentina, and he expressed the "faith of the Chilean Army in the future of the CEA."

The CEA consists of a conference among army commanders, which takes place every 2 years in a different Latin American country, and of conferences of experts in the fields of education, intelligence, science, and technology. The permanent executive secretariat of this conference has the objective of finalizing whatever agreements are reached during the conferences, and it acts as a temporary headquarters for the conference with the responsibility of organizing the next conference. Argentina will be in charge of organizing the 17th conference during the second half of 1987.

LINES OF CREDIT EXCHANGED WITH POLAND

PY131950 Buenos Aires TELAM in Spanish 1114 GMT 13 Mar 86

[Text] Buenos Aires, 13 Mar (TELAM) -- The Argentine Central Bank has extended a $40-million line of credit to its Polish counterpart to finance the sale of Argentine nontraditional exports to that country. Meanwhile, the Polish bank extended to Argentina a line of credit for a similar amount in order to finance between 80 and 85 percent of the Polish exports to Argentina. The agreement will be in effect for 3 years beginning 1 January 1985. It is the result of an accord that the two countries signed on 17 October 1984 so as to assure balanced bilateral trade during the 1985-1987 period.

The agreement states that the two banks will at all times facilitate the sales covered by these lines of credit while making sure to the extent possible that the reciprocal payments are balanced. The Argentine Central Bank relayed information about this agreement to the other financial institutions and furnished them with additional instructions for export and import operations.

BRIEFS

GRAIN HARVEST SLUMPS -- According to a report released yesterday by the Banco Ganadero Argentino yesterday, this year's grain harvest will be 14.2 percent less than last year's, for a total of 38 million tons. The wheat harvest will drop by an estimated 36.3 percent, 8.4 percent for the corn harvest, and 9.1 percent for the sunflower harvest. [Summary] [Buenos Aires BUENOS AIRES HERALD in English 11 Mar 86 p 3 PY]

SENATOR CABEZAS ON DRUG TRADE AS ECONOMIC PROBLEM

PY172143 La Paz Cadena Panamericana in Spanish 1130 GMT 17 Mar 86

[Text] Senator Daniel Cabezas, chairman of the Drug Traffic and Drug Addiction Commission, has spoken to Panamericana. One of the first questions put to Senator Daniel Cabezas was: Has drug trafficking increased in the country?

[Begin recording] Yes, we must say it has increased and that the problem, as we have stated, is not essentially a criminal or police problem but an economic problem. The effects of drug trafficking on the national economy, on inflation, on the administration, are great on the country. We believe that we will be in a very delicate situation until this problem is defined, until an attempt to relate it to other countries of the area or outside the area is made. Otherwise, there will be no positive response to any effort we make, whatever our economic model. [end recording]

The interior minister told the press that it will be very difficult to suppress drug trafficking if we cannot count on the necessary means [words indistinct] with 10 percent of the huge amounts involved in this illegal activity. Senator Daniel Cabezas said that this issue has not been discussed by the commission:

[Begin recording] The commission has not yet discussed this issue, but according to the guidelines given by our advisers, we must ask: 10 percent for what type of actions? For police operations, 10 percent would not be enough; to eradicate the cultivations, it will be far from enough. We want a general government policy to solve the problem, not just a police action. However, this would not be sufficient either, unless we balanced the national and international actions, be it in the Andean area or in the Latin American region. It is not only a matter of Bolivian-U.S. relations, it is a matter of relations between the international community, the region, and the area. [end recording]

Drug trafficking has created circles of power in many regions of the world. Radio Panamericana inquired if this type of power has been detected in our country.

[Begin recording] We believe that these sectors are not in the country. We can say that only a few reside in the country. They live abroad, and they mostly involve foreign economic interests, although we cannot deny that there are also Bolivians who handle large sums of money. Nevertheless, the drug traffickers who are in jail, whose cases have reached the courts and who have been punished are, in our opinion, the smaller cases, the small farmers, the ones who at one time or another have tried to do that type of work. As a matter of fact, punishing them would reduce competition for the big shots, because the smaller and weaker ones will be more persecuted. We believe that this control is unfair because, obviously, neither the country nor the police have economic, operational, or technical capacity to fight against these economic interests. [end recording]

FINANCE MINISTER DISCUSSES AGTEEMENT WITH IMF

PY132338 La Paz Illimani Network in Spanish 1700 GMT 13 Mar 86

[Text] Finance Minister Juan Careaga has reported that the economic aid from bilateral and multilateral agreements is $300 million. He also said that there are no disagreements with the IMF. Careaga added that various aspects regarding the stand-by loan will be determined with the IMF in the next few days.

[Begin recording] [Careaga] You know that we have to fulfill the requirement of submitting a budget and a tax reform.

[Question] How much is the economic aid?

[Careaga] Well, the important thing is not so much the financial aid from the IMF but the multilateral and bilateral aid resulting from the approval of the stand-by loan by the IMF.

[Question] Has any amount been promised?

[Careaga] The financial support we could get from multilateral and bilateral organizations is about $300 million.

[Question] Is the country in a condition to meet the IMF demands on matters of wages and the reduction of public expenditure?

[Careaga] What the IMF wants is balanced finances. The IMF does not establish conditions on wages, it wants something very important which is the presentation of the budget and tax reforms. [end recording]

BEDREGAL PROPOSES TIN MARKET ALTERNATIVE

PY121352 Madrid EFE in Spanish 1440 GMT 11 Mar 86

[Text] La Paz, 11 Mar (EFE) -- Bolivia has proposed the creation of an alternative marketing system to the International Tin Council (CIE) in view of the failure of the CIE negotiations to overcome the slump in tin prices on the London Metal Market. Bolivia is the fifth largest tin producer in the world, and tin is Bolivia's main source of income. Bolivian Foreign Minister Guillermo Bedregal last night said that the tin crisis has impacted negatively on the economic program of the Bolivian Government. He stated that "the price situation is very worrisome, for which reason actions aimed at overcoming this problem, which was caused by the tin-consuming countries, must be adopted."

According to the minister, "the creation of a new organization for marketing tin, an organization that remains independent from the pressures of economic groups," is the best way to overcome the crisis. According to Bedregal, "the private banks have sought to invest their money based on the qualified guarantees [garantia mandataria] for tin and has forced the CIE to impose high prices, creating an unrealistic situation that is having very serious consequences on the producing countries."

EDUCATION MINISTER DISCUSSES ECONOMIC SITUATION

PY142157 La Paz Cadena Panamericana in Spanish 1700 GMT 14 Mar 86

[Excerpts] Education Minister Enrique Ipina Melgar has delivered a dramatic report about the serious national economic situation in his address to the teachers union leaders this morning. Professor Ipina Melgar asked the teachers to understand the current Bolivian situation. He said that the country is currently living on the domestic sale of gasoline, which is overpriced, and from what is collected from taxes and customs duties. He said that the only source of foreign currency is the sale of gas to Argentina, while the Mining Corporation of Bolivia does not contribute a single peso. We reiterate that these statements were made by the education minister to the teachers union leaders in a meeting in the minister's office this morning. [recorded passage indistinct]

COURT WANTS APOLITICAL TRIAL OF GARCIA MEZA

PY141502 Madrid EFE in Spanish 0535 GMT 14 Mar 86

[Text] Sucre, 13 Mar (EFE) -- Guillermo Caballero Saucedo, president of the Bolivian Supreme Court, has stated that no political interference will be allowed in the trial of former dictator Luis Garcia Meza and 67 of his aides. The Supreme Court today will receive the documents collected by the Bolivian Congress, which is charging Garcia Meza; his former interior minister, Luis Arce Gomez; Waldo Bernal Pereira; and other civilians and military men of sedition, armed uprising, repression, political assassinations, and crimes against the state committed between 1980 and 1981. Garcia Meza and Arce Gomez staged a military coup d'etat against Lidia Gueiler Tejada's constitutional administration on 17 July 1980. Ms Gueiler has indicated that she intends to testify for the prosecution against the military junta that overthrew her. Earlier this month the Bolivian Congress unanimously approved bringing Garcia Meza and his accomplices before the courts to set a historical precedent against coups d'etat.

PARIS PAPER LE FIGARO INTERVIEWS HUGO BANZER

PM180955 Paris LE FIGARO in French 15-16 Mar 86 p 2

[Interview with Nationalist Democratic Action leader Hugo Suarez Banzer by Irene Jarry in Paris -- date not given]

[Text] Question: General, do you think that Bolivia is a governable country?

Answer: I think so. I governed it for 7 years, and that was an exceptionally stable period. My party -- which at present has a majority in Bolivia -- believes that permanent political instability prevents a country from progressing. That is why when we founded our party -- it will be 7 years ago on 23 March -- we proposed the true exercise of democracy. Last year we recognized the present government's legality and on 16 October 1985 we signed a "pact for democracy" with the ruling party which is unique in Bolivia's history. This is the first time that an opposition which has won elections and should be in power has offered to sign such a pact with a party that is governing in its place. This pact guarantees political stability and assures the government of our political support in maintaining democracy and modernizing the state.

Yes, I think it is possible to govern the country. I have faith in Bolivia because I experienced 7 years of stability, without a political pact, and now, with the pact for democracy, I believe that it is even more possible to govern.

Question: You said that to put the Bolivian economy back on its feet it was necessary to carry out surgery without anaesthetic. What do you mean by this expression?

Answer: The previous government left the country's economy in a worse state than ever before. The remedy lies in very painful measures of economic adjustment. It is not possible to have an anaesthetic for this type of pain.

Question: Are you suggesting a kind of "Southern Plan?"

Answer: Yes, and if possible in an even stronger form. In Argentina inflation was very high, but in Bolivia we have hyperinflation, expected to be around 30,000 percent [as published] in 1986, and this is a serious handicap to the economy which can only be cured by direct action.

I cannot tell you more because I am not a member of the government. What my party is suggesting is that human, social measures be found.

[Question: How strong is Nationalist Democratic Action, ADN?

Answer: We form the main opposition force, but it is a responsible, not a blind opposition. We have political influence over the government, which has asked for our help in administering some state enterprises which are going very badly, for the good reason that the government knows that we have good professionals, which it does not have. It has therefore asked for our aid in administering, not in governing. For instance, we administer the airports, railroads, and insurance and banking sectors without any power struggle. It is not a question of helping a particular but of helping Bolivia through a government. This is the new mentality of a new party.

Question: What do you think of the influence of the Workers' Trade Union Movement, COB?

Answer: In Bolivia there are elements exercising power and elements exerting pressure. As far as power is concerned there are the executive, parliament, the judiciary, the political parties, and the Army. As far as pressure is concerned there are the COB, private enterprises, the press, the Catholic Church, and the peasant movement. When all these elements are balanced the country runs smoothly. When an element exerting pressure gains the upper hand, as a result of government weakness, inefficiency, or internal dissension, things go badly. Recently the COB had become stronger than the government and succeeded in bringing 150,000 miners onto the streets. Since then the government has put the COB back in its place and restored a balance.

Question: You won a relative majority in last year's elections. However, parliament did not put you in power and some people expected a military coup. That did not happen. Do you still have a great deal of influence over the army?

Answer: I do not think so. I am simply a member of the family. I respect the Armed Forces. But it is true that, when young officers expressed an intention to take action last year, I said no and they obeyed. Let us say that I had a positive infleunce.

Question: There will be presidential elections in Bolivia in 3 years' time. Will you be a candidate?

Answer: That will depend on my party. It will decide who will run.

Question: You seem to have a great influence over Bolivian political life. Is it not possible to say that there is an official president and an unofficial one?

Answer: No. Some people in Bolivia say that Paz Estenssoro has the government and I have the power. But I do not use that power and do not want to use it. I simply want to cooperate. I am not demanding or asking for anything, I am making suggestions.

BRIEFS

ARMED FORCES INSPECTOR GENERAL -- General Felix Villarroel Teran has been appointed new inspector general of the Armed Forces to replace General Gary Prado Salmon. [Summary] [La Paz PRESENCIA in Spanish 26 Feb 86 p 8 PY]

GOVERNMENT TO INVESTIGATE NICARAGUAN TRAINING

PY171254 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Mar 86 p 2

[Excerpt] Brasilia (ESTADO) -- The government will investigate a report that Brazilian citizens are receiving military training in Nicaragua. The investigation will be conducted by Itamaraty, and not, as was previously the case, by the National Intelligence Service (SNI). Itamaraty spokesman, Ruy Nogueira, yesterday admitted that the U.S. Government has reliable information on the presence of Brazilian citizens in Nicaragua. He confirmed that the Brazilian Government will investigate this report.

Nogueira rejected, however, the Reagan administration's decision to use the information to improperly involve Brazil in its efforts to obtain funds for the anti-Sandinist Nicaraguan guerrilla fighters, who are also known as "contras." Brazil conveyed its rejection of this action to the State Department which, in a letter of apology sent to Itamaraty, already admitted having made a mistake.

U.S. Charge d'Affaires Summoned

PY180102 Paris AFP in Spanish 0014 GMT 18 Mar 86

[Excerpts] Brasilia, 17 Mar (AFP) -- The Brazilian Foreign Ministry today summoned U.S. Charge d'Affairs Alexander Watson to ask him for an explanation of President Ronald Reagan's statement that Nicaraguan communists are supplying Brazilian extremists with weapons.

Speaking on television on 16 March, Reagan said among other things that the Sandinists are supplying military training, shelter, communications, forged documents, safe conduct passes and sometimes even arms to extremists in seven countries. Reagan mentioned Colombia, Ecuador, Brazil, Chile, Argentina, Uruguay and the Dominican Republic.

Itamaraty spokesman Ruy Nogueira announced that the Brazilian Foriegn Ministry has asked Watson to get in touch with his government to obtain any explanations it might have concerning Reagan's remarks. This is the second time in less than 1 week that Itamaraty has raised questions regarding statements of high U.S. Government officials about Brazil. On 14 March, Nogueira disclosed a letter received from Assistant Secretary of StateElliott Abrams clarifying remarks of Secretary of State George Shultz.

U.S. MERCENARIES ALLEGEDLY ABOARD DETAINED SHIP

PY180136 Madrid EFE in Spanish 0023 GMT 18 Mar 86

[Text] Rio de Janeiro, 17 Mar (EFE) -- Eight U.S. citizens who claimed to be mercenaries and 10 Argentine citizens were arrested for illegally entering Brazil aboard the Panamanian-flag carrier Nobicotor [name as received] which was also carrying 6 tons of weapons. Regional Federal Police Superintendent Fabio Calheiros Vanderley today reported that the port of origin and destination of the ship are being investigated, and that the possibility that the destination could be a Central American country involved in a conflict has not been ruled out.

The prisoners reported that the ship was coming from Argentina on its way to Ghana, and was forced to stop in Brazil without the appropriate documents because of mechanical problems.

Calheiros reported that the materiel seized included pistols, submachineguns, rifles, grenades, sundry ammunition, fatigues, first-aid kits, and four rubber landing craft. He also said that the U.S. citizens claimed to be Vietnam veterans on their way to Ghana as mercenaries.

Argentine Embassy sources in Brasilia told EFE that the Argentine consulate in Rio de Janeiro will provide the arrested Argentines with legal help as long as the problem involved is merely a violation of immigration laws. The sources stressed, however, that this help will be withdrawn if Brazil accuses them of piracy, arms trafficking, or anything that has to do with mercenaries.

The information the Argentine Embassy has is that the Panamanian flag carrier was sailing to Ghana and belongs to a legally registered corporation. According to the police, until the investigation is over, the crew of the Nobicotor will remain under detention at Federal Police headquarters in Rio de Janeiro, charged with illegal entry. Meanwhile, Justice Ministry sources told EFE that if no charges of piracy or arms traffic are brought against them, the prisoners will be deported.

The police found 6 tons of arms inside two containers bearing the inscription "secret military materiel" after arresting several crewmen without identity papers on a beach in Niteroi, a city near Rio de Janeiro. The others were arrested on board the ship by Federal Police agents. The prisoners are Argentines Eduardo Giraldoni, captain of the ship; Jose Luis Marrone; Alfredo Lopez Adrian; Alberto Celiberti; Oscar Fiadino; Wenceslao Alegre; Daniel Arturo Echevarria; Julio Galeano; Lidio Paez; and Alfredo Hugo Yanez; and U.S. citizens Edward Robert Fot, Steven Warren, Federic Verduin, Sheldown Ainworth, Larrazabel Rodriguez, Steven Sosa Villa, Michael Carmoty and John Dee Earry.

NEWSPAPER CONTRADICTS SODRE STATEMENTS ON CUBA

PY171150 Madrid EFE in Spanish 1250 GMT 16 Mar 86

[Excerpts] Brasilia, 16 Mar (EFE) -- The Brazilian morning newspaper CORREO BRASILIENSE today reported that the Cuban Government is getting ready to reestablish diplomatic relations with Brazil and that it has already appointed its future ambassador in Brazilia. The report seems to contradict the statement made last weekend by Brazilian Foreign Minister Abreu Sodre who told Brazil's Radio Nacional that Brazil will not reestablish relations with Cuba this year. He explained, however, that the issue remains on the agenda.

In the meantime, Cuban diplomats are openly traveling throughout Brazilian territory, visiting various regions, and contacting state government officials. CORREO BRASILIENSE also said that Fidel Castro is anxious to normalize relations, but that he does not want to exert any pressure. Cuba plans to import consumer goods and technology, especially regarding the processing of sugar cane, and will also try to sign several cooperation agreements.

JUNTA MEMBER MERINO ON UN REPORT, REGAN REMARKS

PY180228 Santiago Radio Chilena in Spanish 2300 GMT 17 Mar 86

[Text] Admiral Jose Toribio Merino Castro this afternoon stressed that White House Chief of Staff Donald Regan is an insolent person and a meddler. This high-ranking U.S. official has stated that for the time being the U.S. Government has no intention of overthrowing General Pinochet. In statements that he made at the Diego Portales Building, the high-ranking member of the Government Junta criticized the human rights report that was drafted by Fernando Volio, a UN special observer.

[Begin Merino recording] The United States [words indistinct] doing it that way and he does not like it, just bad luck. All of the 220 million human beings, or 230 million, that live in the United States observed on television approximately 1 month ago as the Challenger exploded and all the people in it died. The investigation that has been carried out up to the present time has shown that there was a serious deficiency in the leadership of NASA and that there were serious technical deficiencies that were known at the time but were not resolved. In general, I can say that without being there [words indistinct] those deaths could have been avoided if there had been a little more desire to serve the nation.

Now then, what has this got to do with us? It has to do with us because within a few days, within a few weeks, elections are going to be held in the United States in which the current government is, up to a point, placing its representation on the line in Congress -- in other words, its representation in Congress, whether in the House of Representatives or the Senate. Therefore, it is a question of getting the Americans to forget, to divert their attention, from the problem which has just occurred and which impairs the prestige of the current government. I believe that one way of diverting their attention is to seek a scapegoat. That is what they are doing, because the question of human rights is very important in the United States and it just happens that Chile is the scapegoat. Mr Volio came here and he looked here and there and he said that everything was in order, and then in his report he stated something quite different. [end recording]

Asked about remarks by White House Chief of Staff Donald Regan regarding the fact that for the time being the United States is not seeking to overthrow General Pinochet, Admiral Merino answered:

[Begin recording] It means that he is an insolent person and that he is not a politician, he is simply a meddler, and because his is a large nation he does not care about insulting a smaller nation. That is pure insolence. And you must recall, all Chileans must recall, that Chile had fights with the United States throughout the last century. The last great fight we had was the war by Peru and Bolivia against Chile. The United States tried to get us to return the provinces of Antofagasta and Tarapaca, which we had conquered. And, if it had not been for [words indistinct] we would have lost it. [end recording]

Admiral Merino was then asked about Chilean-U.S. relations.

[Begin recording] Diplomatic relations with the United States are very good. But, that does not mean that at this time I consider the United States a good friend. [end recording]

Admiral Merino this afternoon opened the first Legislative Commission session in a century at the Diego Portales Building.

Cuadra on Regan Guerrillas

PY171816 Santiago Domestic Service in Spanish 1730 GMT 17 Mar 86

[Excerpt] Minister Francisco Javier Cuadra has labeled the statement by White House Chief of Staff Donald Regan, who said that for the time being the U.S. Government would not try to destabilize the Chilean Government, as regrettable. Cuadra was asked about this statement after his lecture at the Carabineros School, marking the beginning of the academic year.

[Begin Cuadra recording] That was a declaration made during a press conference which I personally find regrettable [passage indistinct] [end recording]

With regard to other declarations in Washington in which Ronald Reagan accused Nicaragua of training and supplying the guerrilla groups in South America, Minister Cuadra said that the accusation is true.

DEL VALLE ON DELEGATION TO PRC, WAGNER VISIT

PY152049 Santiago Domestic Service in Spanish 2300 GMT 14 Mar 86

[Text] Foreign Minister Jaime del Valle has reported that Deputy Foreign Minister Sergio Covarrubias will head a Chilean cultural delegation to the PRC in April. Originally this delegation was to have been headed by the late Ambassador Carlos de Costa Nora, who died tragically in Venezuela.

[Begin del Valle recording] The president yesterday made a decision [words indistinct] the PRC. As you know, the delegation was to have been headed by Ambassador Costa Nora. In view of the tragedy, the president decided that the delegation will be headed by the deputy foreign minister. Yesterday we held a long conversation with Covarrubias about the trip. The president and I instructed him to continue the Chilean-PRC talks in Beijing [words indistinct]. I am very happy that the deputy foreign minister is in a position to make this trip and I believe it is very important for him to go. [end recording]

Minister Del Valle also announced his upcoming trip to Asia, Indonesia, and Pakistan, where he will hold meetings with the ambassadors from the European and Asiatic areas. Foreign Minister Jaime del Valle said that Peruvian Foreign Minister Allan Wagner will visit Chile in May.

GOVERNMENT RENEWS STATE OF EMERGENCY DECREE

PY141232 Paris AFP in Spanish 1208 GMT 14 Mar 86

[Text] Santiago, 14 Mar (AFP) -- The Chilean military government today issued a decree renewing the state of emergency throughout the country for another 90 days, to prevent public order from being disrupted and internal or foreign threats to national security. As long as the state of exception is in force, President Augusto Pinochet will enjoy special powers established through the exceptional constitutional measures to restrict individual guarantees and the rights of the citizens.

HUNDREDS ATTEND FAYAD FUNERAL IN CARTAGO

PA172251 Bogota Television Service in Spanish 0100 GMT 17 Mar 86

[Text] Five guerrillas killed in the mountainous areas of Cali in clashes between 3d Infantry Brigade units and a column of the self-named America Battalion will be buried in a common grave. At first it was believed that Alvaro Fayad's body had also been buried in an unknown place, but the guerrilla's relatives have claimed his remains, which were buried in Cartago. Here is a report by Raul Benoit.

[Begin recording] [Benoit] Guerrilla leader Alvaro Fayad Delgado was buried at the Cartago Diocesan Catholic Cemetery yesterday, attended by a large gathering. Fayad's body was brought from Bogota at 1700 on Saturday with a large police escort. At the El Dorado Airport, calls were received warning of bombs allegedly planted in a waiting room. A piece of luggage containing garbage had been abandoned beside a chair. Fayad's body was transferred first to a regular Bogota-Pereira flight and then taken by land to Cartago. Hundreds of people attended the funeral service, which was held at the San Francisco Church. At 1930 the guerrilla was buried in the midst of a multitude shouting M-19 slogans. Did you plan the demonstration and the presence of so many people?

[Unidentified speaker] Well, as you can see, in Bogota where we spoke we avoided contact with the press or with people who would prevent the type of ceremony we wanted, the familiar atmosphere we wanted. Unfortunately, there are traffickers of grief who distort reports, and newspapers say things that are not true.

[Benoit] Do you believe that Alvaro Fayad's death was unnecessary?

[Speaker] I do not believe that anyone who has led a life of sacrifice, devotion, and honesty toward his ideas, as he did, could be believed to have suffered a useless death. I believe his death is a tribute to his life and his conscience.

[Benoit] After the funeral a sympathizer apparently fired a shot, prompting a show of security around the cemetery. Relatives and close friends promptly left the area. During the night and throughout today, Sunday, the guerrilla leader's tomb has been guarded by the police. Meanwhile, M-19 spokesmen have confirmed that the group's leadership is now formed by Carlos Pizarro, Antonio Navarro, Marcos Chalitas, Gustavo Arias, Libardo Parra, Israel Santamaria, and (?Edward) Bustamante. They denied that members of the organization are contending for power. [end recording]

POLICE REPORT 35 GUERRILLAS KILLED NEAR CALI

PA162223 Bogota Radio Sutatenza Network in Spanish 1200 GMT 14 Mar 86

[Text] A total of 35 guerrillas were killed today in the vicinity of Cali, according to reports from the Cali Police Department which has laid a seige on the guerrillas in joint operations with the Army. The bodies of the subversives were found in several places. Weapons left behind by the guerrillas have also been found. Here is a report by Aldemar Dominguez, Sutatenza's correspondent in Cali:

[Begin relay] Good morning. The 3d Army Brigade in Cali has reported that no clashes have occurred in the last few hours in southern Cali. However, search operations have been stepped up in the last few hours. Seven batallions of the 3d Army Brigade are conducting an air and land search for the guerrillas. In Cali's Agua Blanca district, a column of subversives presumably belonging to the M-19 set fire to a bus of the urban transportation service last night. Finally, former Governor Libardo Lozano Guerrero will be buried here in Cali today. He died Wednesday night in a plane crash near Medellin. [end relay]

GENERAL VARGAS HELD AT ARMY BARRACKS IN ALOAG

PA170322 Quito Voz de los Andes in Spanish 1230 GMT 16 Mar 86

[Text] General Frank Vargas Pazzos has been held under strict military guard at the Army Victors Battalion barracks in Aloag since his capture Friday after his rebellion at a Quito Air Force base was defeated. Today there were rumors about the fate of the dismissed FAE [Ecuadoran Air Force] commander following his foiled armed uprising. One thing was certain: Vargas had been taken from Quito since he was neither in the military hospital nor in a private hospital, something that obviously was impossible to expect.

An investigation conducted by the newspaper EL COMERCIO led to Aloag. Reliable sources said the general is there. Official sources have neither denied nor confirmed the report. Although no civilian has seen the arrested man inside the barracks, it is almost certain that Vargas was taken there immediately after he was captured at the Quito air base. The general was given medical attention at the air base by three doctors from the military hospital. Afterwards, he was taken by ambulance to an unknown destination. It was believed that he had been admitted to a health center, but the fact that he was arrested at the base led observers to discard this possibility.

Well-informed sources later revealed the general's whereabouts. A reinforced military force is guarding the arrested man while judges prepare to begin the legal process that Gen Vargas must face as a result of his armed adventure.

The Quito air base has returned to normal since noon Friday when Army troops seized the installations under the control of rebel Gen Frank Vargas Pazzos, the Public Information Secretariat has announced. The secretariat reports that General Joffre Lima, who headed the operation, noted that one cannot speak of an actual confrontation between Ecuadoran troops. There was only light resistance from a small FAE group who changed their position because of the rapid flow of events.

Gen Lima said the installations suffered slight damage and that the casualties were the most regrettable part of the situation caused by circumstances resulting from the attitude and position of one individual, alluding to Gen Frank Vargas without mentioning him. FAE and Army members are talking; there is no rancor and no retaliation. We are going to return the base to the FAE since the situation is completely normal now, said Lima.

It has been officially reported that schools will remain closed until an order to the contrary is issued. Apparently, the schools will be closed as long as the state of emergency is in effect. Due to recent events, the state of emergency has not been lifted. The education minister, who announced this yesterday, said that he will announce the date when classes will be resumed. It has been unofficially reported that the state of emergency will be lifted on Monday if public order is not upset. Classes could be resumed either Tuesday or Wednesday of this week. In any event, the Education Ministry has said that the missed school days will be made up at the end of the school year so that the 185 school days established by the education law are met.

The high-level investigative commission organized at the request of President Leon Febres Cordero to analyze the accusations made by Gen Vargas, Army General Luis Pineiros, and Division General Manuel Albuja will be formed with the following retired high-ranking officers: Rear Admiral Manuel Nieto Cadenas, Division General Enrique Calle Solano, Division General Gustavo Banderas Roman, Division General Leopoldo Mantilla, and Air Force General Jorge Salgado Murillo. The commission will gather all the information it can and present its conclusions to the chief of state.

STATE OF EMERGENCY LIFTED; RADIOS REOPENED

PA171803 Madrid EFE in Spanish 1704 GMT 17 Mar 86

[Text] Quito, 17 Mar (EFE) -- The Ecuadoran Government today lifted the state of emergency it had established on 13 March as a result of the rebellion of General Frank Vargas. The government also lifted the closing of about 10 radio stations in Quito that it had ordered closed in application of the state of emergency.

Vargas carried out an initial rebellion on 7 to 11 March in the air base in Manta (396 km southwest of Quito). After ending his action, he was held at the base in Quito where, despite being under arrest, he rebelled again and called on the people to rise against the government. This rebellion ended with the storming of the Quito base which, according to official sources, left four dead and nine wounded and led to the arrest of Vargas, who will be court-martialed.

JORGE BRACHO NAMED NEW HEALTH MINISTER

PA201705 Quito Radio Quito in Spanish 2300 GMT 19 Feb 86

[Excerpt] Jorge Brancho today became health minister, replacing Dr. Virgilio Macias. Bracho was sworn in during a brief ceremony held in the Yellow Room of the Presidential Palace. The new minister expressed his appreciation for the responsibilities given to him. He said he will work with dedication. President Leon Febres Cordero expressed his appreciation for the work done by former Minister Macias.

SALDIVAR SAYS COMPARISON WITH CHILE 'UNBEARABLE'

AU121832 Vienna DIE PRESSE in German 12 Mar 86 p 2

[Text] Vienna -- For Paraguay's Foreign Minister Don Carlos Augusto Saldivar, naming Paraguay in the same breath with Chile as one of the last Latin American countries sill ruled by the military is an unbearable accusation. "That is organized dissemination of information aimed at discrediting the government and at messing up the current peaceful life in Paraguay," he said in a talk with DIE PRESSE on 11 March.

The wire-pullers are, according to Saldivar, the "extreme left and the communists." After a visit to London the minister is staying in Austria on a semi-official visit before continuing to the FRG and to Brussels. In Vienna he has been totally ignored by the Foreign Ministry while Finance Minister Vranitzky and State Secretary Schmidt had time for him. The chief of Paraguayan diplomacy also criticizes the former U.S. ambassador in Asuncion, [Robert] White, in this connection. "He relayed only negative things to Washington." Since the time of Jimmy Carter, under whom White served, the relationship with the United States has, however, "considerably improved."

Saldivar claims that in their coverage of Paraguay the international mass media overlook the fact that the Stroessner government was "elected in free elections," that there exists a bicameral legislative system, and that for 30 years there has not been a revolution. The ruling Colorado Party is looking back on a more than 100-year-old tradition. Four different parties participated in the latest general elections in 1983.

The Catholic Church -- Paraguay is almost wholly Catholic -- is mostly apolitical. "There are some bishops who represent the government line, but there are also some who do not. That has always been so."

Paraguay's foreign political priorities result from its geographical location, said Saldivar, who has been head of the Foreign Ministry in Asuncion for 2 years. It is important to find access to harbors. Paraguay has a "very good, neighborly relationship" with Argentina. This has not changed since the civilian president Raul Alfonsin assumed office. With Brazil, too, contacts are excellent. This applies to all neighbor countries, Salidivar stressed.

According to the Austrian trade delegate in Paraguay, Siegfried Hittmair, in 1985 Austria imported mainly cotton, coffee, and oil seeds from this South American country, to which Austria exports tractors, finished goods, and paper products.

Saldivar Evaluates European Trip

PY171757 Asuncion ULTIMA HORA in Spanish 15 Mar 86 p 12

[Text] "We have carried out important negotiations. We saw that there is some misinformation about our country and the reality of our government and democracy. Consequently, we put things in order." This statement was made by Foreign Minister Carlos Augusto Saldivar upon arriving at the President Stroessner International Airport this morning at the end of a tour that began on 27 February through Spain, England, Austria, West Germany and Belgium. Saldivar was accompanied by his wife; Eladio Loizaga, the director of foreign relations; and Jesus Maria Gutierrez, deputy director of the Foreign Ministry Protocol Department.

Minister Saldivar also said: "We held good bilateral talks." He emphasized the meeting held on 14 March with the EEC where he explained the Paraguayan Government's desire to increase exports to the EEC member countries.

Saldivar also emphasized the important agreement reached with Belgium on tax-free status for LAP, Paraguayan Airlines. General Raul E. Calvet, the Paraguayan Airlines president, accompanied Saldivar to the talks. Saldivar also said that "The results of the negotiations carried out inthese countries will soon be known and implemented in the short and medium term. We can categorically say that the objectives of the tour have been fulfilled."

Regarding President Alfredo Stroessner's plan to visit the FRG Minister Saldivar said that this matter was not discussed. He added: "But I found a great deal of affection for President Stroessner and a great interest for him to make that visit." Answering journalists at the airport, Saldivar indicated that "Our image has not deteriorated, but there is misinformation, as I said in Austria, due to the campaign by international communism which is the main group interested in destabilizing the peace, progress, and development prevailing in Paraguay."

Saldivar also said: "We all know about the real political situation here, but they are not aware of it. This is why we have put emphasis on explaining the real Paraguayan situation and what the government of President Stroessner is. We talked about all political parties and about our Colorado Party, which is an association founded in the last century. Our party's long institutional life in the country created amazement and admiration. Saldivar said in conclusion that after he briefs President Alfredo Stroessner on his trip on 17 March he will give more details of his European tour to the press.

SOUTH AFRICAN DEPUTY DEFENSE MINISTER ARRIVES

PY161321 Asuncion PATRIA in Spanish 16 Mar 86 p 1

[Excerpts] South African Deputy Defense Minister Adrian Vlok arrived in our country on 15 March. He was welcomed at the airport by Paraguayan Defense Minister General Gaspar German Martinez, high-ranking officers, and Dr Leon Malan Brand, South African ambassador to Paraguay.

'LEVI PLAN' PROPOSES OPPOSITION COALITION

PY072109 Asuncion EL DIARIO in Spanish 7 Mar 86 p 8

[Text] Dr Fernando Levi Ruffinelli yesterday proposed an electoral coalition of all opposition parties. The main objective of the coalition would be to present a single presidential candidate for the 1988 general elections, in order to constitute a "transitional government." Dr Levi Ruffinelli emphatically explained that the proposal is strictly personal, aimed at gathering all the opposition parties around a man who may represent them as a presidential candidate in the 1988 general elections.

According to the "Levi Plan," if the elections are won, a transition government will be established, and its "fundamental mission willbe to prepare for truly free and democratic elections." The proposal makes it clear that the candidate must be a civilian and that the "transition" term should not last more than 2 years. Dr Levi Ruffinelli added that his proposal has the basic characteristic of being "a plan of action." He went on: "The Paraguayan people all know the problems because they live with them, but suggestions about how to solve their problems are never offered. My plan breaks the dependency." He said that foreign dependency is often mentioned but, as he asserted, dependency on the government party is still more important. "Everything is done," he said, "on the basis of pleasing or not pleasing the government; or whether the government will allow it or not. My plan breaks with all this because it depends entirely on what the opposition might do."

"I hope it is well understood what I am trying to say: I propose an electoral coalition of the opposition," Levi Ruffinelli emphasized, saying that this does not aim at establishing a "coalition government" but rather the mobilization of all the opposition around a single candidate for the 1988 elections. When asked about possible candidates for the electoral coalition of the opposition parties, Levi Ruffinelli mentioned Aldo Zuccolillo [former proprietor of the ABC COLOR newspaper, closed by the government] who, according to him, "possesses all the qualities, and is not questioned by any sector of the opposition." He also mentioned Dr Cesar Garay, although the fact that he belongs to the Colorado Party might be a drawback.

Political Leaders React

PY132257 Asuncion LA TARDE in Spanish 11 Mar 86 p 10

[All quotation marks as published]

[Text] The presentation of single candidate to represent the oppostion political parties at the 1988 general elections, as proposed by Doctor Fernando Levi Ruffinelli, has prompted different reactions. The electoral coalition proposal is already in the hands of the National Accord, the Paraguayan Episcopal Conference [CEP], and opposition legislators. The nonparticipants have also expressed reactions.

Alfredo Rojas Leon, president of the Christian Democratic Party, has stated that "the Levi Plan, if we can call it a plan, is just an observation of what has happened in the Philippines. This plan is practically a copy of what has happened there."

At this moment Levi's plan is absolutely inappropriate and out of place because the political parties grouped within the National Accord are now dealing with the national dialogue issue. We think that this is important, as is the fact that dialogue constitutes the path to a national reconciliation, and this is the first thing we need." Regarding the single-candidate issue, Rojas Leon stated: "I do not agree with that. On the contrary, I fully disagree with it, because if there is a candidate, that candidate first must be from a political party. The Christian Democratic Party will present its own candidate."

When consulted on the same subject, Mario L. Mallorquin, twice president of the Colorado Popular Movement [Mopoco] and current member of the Mopoco's board, stated: "We believe that any transitional government that seeks to democratize the country must be supported. Levi's proposal, the proposal which I believe was made by Laino or someone else, deserves the following considerations: I repeat, we will support whatever government might emerge from any of these proposals, provided that it decides to establish a democratic order to replace the current one."

Regarding the selection of a single candidate, Mallorquin said this should not be considered because it would mean accepting "the government's rules of the game." He added: "The government claim, the need to participate in the elections under a situation in which no opportunities or freedom are given to the political parties, and to present a candidate under these conditions would imply accepting their rules." He then concluded: "I do not think that it is the best solution."

Doctor Ricardo Lugo Rodriguez, coordinator of the Unity and Modernization Movement for Change, of the Febrerista Revolutionary Party [PRF], has stated that any proposal made by representatives of political sectors seeking to overcome the present situation, must be received with satisfaction."

He called Levi's proposal original and interesting. Regarding the coalition and the single candidate proposal he said: "As far as I know, it is a good initiative, but it disregards the electoral statute which, I understand, forbids the political parties from forming electoral fronts." Referring to the proposal, he said: "We are going to submit it for the consideration of our board in a meeting we have called for next Wednesday."

"If we do not propose an amendment to the electoral law right now, this plan will not be acceptable," he concluded. Referring to the same "Levi Plan" proposed by Dr Fernando Levi Ruffinelli last week, Miguel Abdon Saguier, secretary general of the Authentic Radical Liberal Party stated: "I think we have to further investigate this issue.

"We are dealing with the transition issue, in which case there are two alternatives, the violent and the negotiated paths. The second alternative, he said, is possible. "I understand that in Paraguayan society ther is a clear tendency toward a new political order that would be the democratic order." Regarding the single candidate proposal that Levi mentioned, he said that it seems unreal: "I do not believe in and do not agree with that reasoning. I think the political parties each have their own man capable of attracting the people's votes and reaching a really free and democratic confrontation." Saguier feels that before making electoral coalitions, some political openings should be negotiated.

EPISCOPAL CONFERENCE'S STATEMENT ON DIALOGUE

PY141652 Asuncion LA TARDE in Spanish 13 Mar 86 p 12

[Text] The Paraguayan Episcopal Conference [CEP] has released a communique on the national dialogue. The CEP has decided to conduct this dialogue "to facilitate a climate of reunion and concord among all Paraguayans." Herewith, the transcript of the complete text of the communique:

Aware of the concerned interest of the people and faithful in general regarding the CEP's initiative to promote the national dialogue, at the end of the Plenary Ordinary Assembly of Bishops we felt that it was necessary to inform the people of the following:

The Plenary Assembly has approved the guidelines proposed by the group of bishops regarding the manner in which the initiative will be put into practice. This implies, above all, that the Plenary Assembly has ratified the decisions of the Permanent Episcopal Council that met on 21 January 1986. All bishops agree with the reasons and objectives outlined in the communique released on 23 January 1986, which expresses the significance of the church's gesture.

The guidelines proposed and approved include the establishment of sectors of opinion that will be called, as well as the opening to all those considered necessary and useful to contribute with a constructive opinion and work in the great common endeavor. They also provide for permanent consultation with priests, religious persons, and laymen who are committed to the ecclesiastical life, as well as with outstanding representatives of the different sectors of national life. Deprived of any sensationalist desire and seeking effectiveness more than publicity, this stage of the process that is beginning now will be conducted with prudence and reservation. An evaluation of the process will be made immediately afterward to set the priorities to face the next stage.

The CEP also decided to send an Episcopal Conference message to the faithful and men of good will who live in this country. While awaiting this message, it is appropriate to reiterate the exhortation already made, calling to prayer all believers, regardless of their religion, to obtain from the Almighty God the necessary enlightenment in this difficult endeavor. It is also appropriate to ask everyone to facilitate the reunion and concord among all Paraguyans.

OFFICIAL DEFENDS POLICE ACTION IN ALFONSO LOMA

PY181036 Asuncion LA TARDE in Spanish 17 Mar 86 p 10

[Text] Speaking of the incidents that occurred in Alfonso Loma, Sergio Enrique Dacak, Interior Ministry representative in Cordillera Department, has stated: "They were the ones who attacked us, we did not initiate the aggression." He indicated that at this point there are nine individuals being held at the Interior Ministry departmental branch, adding that they will be released tomorrow.

Dacak said: "When I found out about the meeting of the Authentic Radical Liberal Party [PLRA], which is not registered at the National Electoral Board, we took the necessary steps to prevent this meeting. At first we thought that the meeting would involve only Alfonso Loma residents, but then we realized that people were coming from different places and neighboring towns and it became a national meeting. From then on, our job was to preserve order and make sure that nothing serious happened. Can you imagine if the local Colorados had decided to attack the PLRA meeting?" The Interior Ministry official added: "I issued instructions that there be no violence; shots were fired only when the crowd attacked the police." He went on to say that "the PLRA people are to blame for this incident." The official explained that he alone was responsible for the orders issued on the occasion. He reported that 50 Interior Ministry branch agents participated in the operation and categorically refuted the report that women and children had been beaten up.

COUNCIL OF STATE UPHOLDS ROMEO ACOSTA'S IMMUNITY

PY141712 Asuncion HOY in Spanish 14 Mar 86 p 8

[Text] The Council of State yesterday rejected as inappropriate the request to strip the immunity of a member of the Council of State [Central Bank President Cesar Romeo Acosta] that was submitted to this consultative government body by the 1st and 9th Criminal Court judges. The decision issued yesterday is based on the recommendations made by the Council of State Foreign Relations, Justice, Worship and Public Duty Commission, which is made up of Industry Minister Delfin Ugarte Centurion and Rear Admiral Adolfo Roig Franco. The delay in discussing the request that was submitted by Judge Mario Soto Estigarribia and Judge Edgar Ruben Stanley on 16 December 1985 had been questioned by the representative of the Agriculture Ministry, who had urged the Council to treat the request expeditiously.

Regarding the Council of State decision, its chairman, Interior Minister Sabino Augusto Montanario, said that "we have acted in keeping with the law and have returned the request to the judicial branch until the courts that submitted it either confirm, approve, or modify their ruling. Once the courts do this, we will discuss the issue at the Council of State, but in all justice we could not have discussed the issue at the council of State before the courts issued a specific ruling in this regard." Montanaro added that although the ordinary period of sessions of the Council of State is about to close, an extraordinary session will be called in view of the nature of this request.

L.A. PARLIAMENT HEAD ON REAGAN PLAN FOR CONTRAS

PY172056 Madrid EFE in Spanish 2013 GMT 17 Mar 86

[Text] Lima, 17 Mar (EFE) -- Peruvian Andres Townsend Escurra, secretary general of the Latin American Parliament, stated here today that U.S. President Ronald Reagan's request for money to help the "contras" is a "whim." Townsend added that Ibero America must "make an effort to confront President Reagan's attitude." Townsend announced that between 2 and 5 April 1986 the Latin American Parliament will hold its special assembly in Guatemala City to discuss this situation. This meeting, Townsend added, will deal exclusively with liberty, democracy, and peace in Central America. It will also study the situation in Nicaragua and efforts to achieve peace in the zone.

TERRORIST ATTACKS INCLUDE BOMBINGS, MURDERS

Argentine Consulate Strafed

PA180042 Hamburg DPA in Spanish 0012 18 Mar 86

[Text] Lima, 17 Mar (DPA) -- A terrorist team attacked the Argentine Consulate in Lima with a burst of machinegun fire from a moving vehicle tonight. No one was injured and only the front of the building was damaged. A police spokesman said that the attackers also hurled two explosive devices that failed to explode at the consulate. A police vehicle parked in front of the consulate was struck by bullets. The police stated that it is unclear as yet whether the attack was the work of the extremist Shining Path group or the Tupac Amaru group. The Argentine Consulate in Lima is located near the U.S. Embassy, which has been the object of repeated attacks by teams of the Tupac Amaru Movement.

Lima Experiences Blackout

PY171312 Lima Panamericana Television Network in Spanish 0100 GMT 16 Mar 86

[Text] Several terrorist attacks took place Friday night. Some high-tension pylons were blown up in Huinco and Cajamarquilla, and police precincts in the so-called young neighborhoods were fired at. Lima was blacked out for 45 minutes. Navy Captain Jorge Alzamora Bustamante was killed by three presumed terrorists.

Civil Guard Members Attacked

PY171703 Paris AFP in Spanish 1718 GMT 16 Mar 86

[Text] Lima, 16 Mar (AFP) -- Police today reported that a Civil Guard captain was murdered by alleged subversives and that a Civil Guard major and his wife were wounded last night by security forces who mistook them for subversives. War Minister General Jorge Flores has said that the Armed Forces Joint Command is going to decide whether or not the measures within the state of emergency and the curfew will be strengthened in Lima, where several officers have been murdered and police posts attacked.

Last night Civil Guard Captain Jesus Melendez, 34 years of age, was killed by alleged subversives who shot him as he was walking down one of the streets of the populated Comas district. Police did not provide any details about this murder.

According to witnesses the attackers drove a small car and without saying a word shot the officer as he was getting into his car. This murder occurred less than 24 hours after the murder of Capitan Jorge Alzamora. Alzamora was buried yesterday under strict security measures.

Civil Guard officials also confirmed that on 14 March a group of young subversives murdered Civil Guard member Juan Deza in a bus in Chiclayo, 752 km north of Lima.

Civil Guard Major Alberto Castillo and his wife were returning from a party as the curfew began and were wounded by Air Force security forces guarding the Aeronautics Ministry. A curfew has been in effect in Lima since 10 February. The officer, whose vehicle apparently passed near the ministry, did not hear the warnings from the soldiers who fired, mistaking them for subversives. The couple were wounded and taken to the Police Force Central Hospital where no details were given about their conditions.

Civilian Antonio Paredes, 24 was shot to death 5 days ago by an Army patrol in Comas, when he broke the 0500-0900 GMT curfew.

Analysts today said that showing disdain for the state of emergency and the curfew, subversive groups continue to spread terror and cause serious consequences. Analysts also pointed out that a few days before the wave of attacks on 13 March, just hours before the departure of President Alan Garcia for Argentina, subversives murdered three policemen in Huancayo, Cerro de Pasco and Lima, apparently in an act of revenge against policemen who served in the emergency zones.

The war minister said yesterday, however, that the subversive movement in the country has been contained. After attending Captain Alzamora's funeral the minister said: The subversive action has not yet disappeared but we are working on it. About 182 people, among them Shining Path members, military people, policemen, civilian officials, and simple peasants, have been killed so far this year. This brings to about 8,000 the number of people killed since guerrilla activities began in the Peruvian Andes. Observers indicated that counting last night's attack in Lima, six officers have been killed by subversive commandos this year. This represents an escalation of the reprisals and intimidation carried out by Shining Path.

GOVERNMENT FACES WAVE OF STOPPAGES, STRIKES

PY160015 Madrid EFE in Spanish 0101 GMT 15 Mar 86

[Text] Lima, 14 Mar (EFE) -- The strike being staged by mineworkers of the state-owned Centromin [Central Mining Enterprise] company and by the national railroad enterprise, involving some 16,000 workers, today continued unresolved. The government has increased the mineworkers wages by $1.90 per day, which the mineworkers say is not enough. The mineworkers' strike is 13 days old.

One hundred mineworkers are holding a hunger strike in Chosica, 40 km from Lima, and there are threats of new strikes in the Oroya, Cerro de Pasco, Horococha, and Casapalca mining centers, which form part of Centromin. Railroad workers in southern Peru have staged a protest march in Arequipa, 1,000 km south of Lima. Nearly 4,000 railroad workers are on strike, also owing to salary claims.

In turn, Finance Ministry workers yesterday held a 24-hour stoppage and have threatened to hold another 48-hour stoppage. In addition, the Callao (Lima's port) Development Corporation workers are asking that 800 dismissed workers be reinstated. Several of these dismissed workers have been holding a hunger strike for a week. Nearly 1,200 workers of the Donofrio ice cream and candy factory are striking, seeking salary improvements. Airport workers have said that they will stage unannounced stoppages, also for higher wages.

The Interunion Confederation of State Workers (CITE) has announced an indefinite general strike beginning 6 May if their salary claims are not met. There are a total to nearly 500,000 state workers, and the government increased their salaries by 25 percent in February. Labor Minister Carlos Blancas has reasserted that the government seeks to uphold a salary policy that offsets inflation -- which has dropped over the past months -- but does not constitute a new inflationary factor.

AIR FORCE CHIEF BEGINS TALKS ON MIRAGE DEAL

PY121427 Paris AFP in Spanish 0312 GMT 11 Mar 86

[Text] Paris, 10 Mar (AFP) -- Diplomatic sources have stated that Peruvian Air Force Chief of Staff General Julio Hesse, who arrived in Paris last Friday, today started negotiations to reduce from 26 to 14 the number of Mirage-2000 aircract that Peru has committed itself to buy from France. Without elaborating, the sources said that Gen Hesse has held meetings with high-ranking officials of the French Government to discuss ways that would permit a change in the purchase contract signed by Peru in July 1985 for $700 million, out of which $140 million has already been paid. The Peruvian Air Force chief of staff is accompanied by Hector Delgado Parker, an adviser to President Alan Garcia, and the high-ranking officials Garcia Pike, from the Foreign Ministry, and Jaime Abuttagast, from the Economy Ministry.

According to diplomatic sources of the two countries, Lima's request to reduce the number of aircraft purchased, which was made by Garcia on 28 July 1985 at his inauguration has been received by the French Government with understanding and, in principle, accepted by the Marcel Dassault aircraft company. However, technical obstacles, which the Peruvian delegation must discuss in Paris, have arisen. The Peruvian Government is trying to reach an agreement to avoid paying the breach of contract damages.

According to the sources, in February 1986 Peruvian Foreign Minister Allan Wagner said held a meeting in Paris with his French counterpart, Roland Dumas, who immediately committed himself to study the Peruvian request and expressed the good will of the French Government. For the Peruvian authorities, reducing the Mirage purchase falls within the framework of a policy drawn up to restrict the acquisition of weapons at domestic and Latin American levels in order to allocate the scanty funds available to the pressing needs of the people.

NICARAGUAN OFFICIAL CONDEMNS U.S. POLICY

FL141904 Mexico City NOTIMEX in Spanish 0320 GMT 14 Mar 86

[Text] Mexico City, 13 Mar (NOTIMEX) -- Nicaragua's economic, political, and social development will be hindered as long as the United States continues its policy of financing the contras, Nicaraguan Vice Minister of Agriculture Eduardo Holman has said. He added that the Sandinist government has had to use its scant resources to defend the country's sovereignty, which has limited its productive capacity.

Upon his arrival in Mexico City, where he will participate in the 33d meeting of the International Agriculture Committee that will begin tomorrow, the Central American official said his country's government is concerned by the fact that neighboring countries cooperate with the United States in destabilizing the region. He said that the Ronald Reagan administration constantly attacks the Nicaraguan people from points located near the Costa Rican border.

He said one of the principal goals of the United States is to separate Nicaragua from Latin America through defamatory campaigns and destabilize the Sandinist government.

The Nicaraguan people are ready to defend their independence from aggression from abroad and remain alert to the possibility of an invasion of their territory, he said. The Nicaraguan minister condemned the slaughter of peasants that the United States is provoking through counterrevolution. He energetically rejected the idea that the Sandinist government supports the growing of drugs or drug trafficking.

SOVIET AMBASSADOR DISCUSSES NUCLEAR TEST BAN

FL140340 Mexico City NOTIMEX in Spanish 0240 GMT 14 Mar 86

[Text] Mexico City, 13 Mar (NOTIMEX) -- Soviet Ambassador to Mexico Rostislav Aleksandrovich Sergeyev has said that Spain's decision to continue its NATO membership will not contribute to the peaceful development of relations between European countries. He added that it is time the military blocs of this continent are checked in order to prevent a war.

Interviewed at the end of the International Peace Congress in Mexico City, the diplomat said his country maintains a unilateral moratorium on nuclear testing as proposed by the Group of Six, which includes Sweden, Argentina, India, Greece, Tanzania, and Mexico. He also expressed his desire that the United States proclaim a moratorium on nuclear tests and added that there have been no advancements in Soviet-U.S. bilateral negotiations. Sergeyev also spoke in favor of calling all nations to a world congress to discuss political direction and create the necessary economic conditions that would guarantee international economic security.

Views Disarmament, Foreign Debt

FL171806 Mexico City NOTIMEX in Spanish 2147 GMT 16 Mar 86

[Text] Irapuato, Mexico, 16 Mar (NOTIMEX) -- Soviet Ambassador to Mexico Rostislav Aleksandrovich Sergeyev said today that the Soviet Government supports Mexico's position of nuclear disarmament. He also added that his country respects the decisions adopted by Mexican President Miguel de la Madrid in reference to payment of Mexico's foreign debt.

The Soviet ambassador, who is one of the 40 diplomats who visited Irapuato City, Guanajuato, today to attend the traditional Mexican Strawberry Festival, said the Soviet Union is in favor of total nuclear disarmament by the end of this century. Sergeyev also referred to Guanajuato's history, which he called a symbol of the Mexican peoples' struggle for survival and independence.

PRESIDENT REJECTS FOREIGN SOLUTIONS TO PROBLEMS

FL150240 Mexico City NOTIMEX in Spanish 2305 GMT 14 Mar 86

[Excerpt] Mexico City, 14 Mar (NOTIMEX) -- Mexican President Miguel de la Madrid said today that Mexico will continue solving its own problems and in no way expects miraculous outside assistance. Upon inaugurating the eighth congress of the National Revolutionary Confederation of Workers and Peasants, De la Madrid said Mexico's international negotiations are a complementary approach to resolve the current economic problems but are not fundamental.

The president strongly criticized the minorities who propose foreign solutions and warned: We will come out ahead with nationalism, which does not imply hostility or exclusion, but opens the country to culture, science, and technology from the rest of the world.

Mexico is independent, free, capable of conducting its destiny and government, despite the most difficult circumstances it confronts, he said. The struggle for sovereignty should take root in the domestic struggle without any expectations of outside miraculous solutions.

De la Madrid stressed that economic difficulties do not become less significant, but they become more difficult, especially in the foreign sector due to falling international oil prices. He stressed that only those who do not have faith in Mexico because they are not familiar with the country and are isolated from the reality of desperation believe that Mexico is falling apart, the political system is obsolete, and the economy is not functional.

The Mexican leader condemned minority groups that have always looked outside of Mexico for solutions to problems and said: They inherit the ideologies of the old conservative minorities or the minorities who see foreign ideological models as solutions. He said that those groups will be defeated because the majority counts on the system of liberty and political plurality.

De la Madrid announced structural changes within the Mexican revolution related to the principles of that historical movement and added that they will not be destructive changes or imitate foreign models but improve the direction of the country.

DE LA MADRID, LUSINCHI DISCUSS OIL, DEBT CRISES

FL161800 Bridgetown CANA in English 1602 GMT 16 Mar 86

[Text] Mexico City, March 16, CANA-ALASEI -- The recent presidential dialogue in Cancun between Venezuela's Jaime Lusinchi and Mexico's Miguel de la Madrid on the present energy situation did not yield spectacular results, nor indeed long-term agreements, according to the Latin American News Agency ALASEI.

The two presidents met in Cancun towards the end of January against a background of falling oil prices. They said the fall meant more austerity for their economies. Mexico and Venezuela are among the world's top exporters, but sliding oil revenues are undermining their ability to meet interest payments on a combined foreign debt of about 140 billion U.S. dollar.

It seems evident that the four-dollar drop in the price of Mexican oil was a matter long considered by the local authorities, and that the price fixing was done in association with the Venezuelan Government, in a concerted effort to find a political answer to the crisis which afflicts the world oil market, ALASEI said.

The Mexican move was followed, one day later, by a three-dollar reduction in heavy Venezuelan crude, in a move described by the acting minister of mines and energy in the South American country, Hernan Anzola, as part of the concerted strategy with Mexico, after Cancun. The diagnosis by the officials with respect to the international oil market underlined in particular the link between energy and the foreign debt.

But except for the decision by Mexico and Venezuela to apply flexible policies of price and production, to allow both countries to defend their position in the market, no really great results came out of the meeting. Thus, neither expectations of an eventual moratorium, a limit on interest payments conditioned by the opening up of the world market, no a production ceiling to stabilise the energy market was present in the final communique.

On the contrary, on the matters of price fixing and the question of retroactive monthly payments there were still some difficulties. In addition, Venezuelan insistence on the creation of a Latin American organisation of oil-producing and exporting countries, made up of Venezuela, Mexico, Ecuador, and Trinidad and Tobago, with Brazil and Colombia joining in the near future, appeared, for now at least, a dead matter.

Mexico continues not to see any useful purpose to be served by such an organisation, in keeping, incidentially, with her traditional policy with regards to OPEC, where, in spite of pressures from the cartel, she still maintains only observer status.

Nevertheless, according to the ALASEI correspondent in Caracas, the Cancun meeting should have strengthened the Venezuelan position prior to the OPEC meeting in Vienna, maintaining and consolidating the organisation, founded on September 27, 1960.

The meeting also revealed that Venezuela is in a much better position than Mexico to deal with the crude oil crisis. In Venezuela, the crisis is seen as merely circumstantial and can be overcome, and does not appear to be a catastrophe to the authorities, even when it widens the gap of economic difficulties, and calls into question the possibility that this country can cancel its foreign debt immediately.

The strategy of Venezuela is to sign, this month, accords of refinancing with creditor banks (to the order of U.S. 36,000 million dollars) and immediately to resort to the contingency clause. The clause was included precisely to offset the effect of forces outside the country's control, such as a substantial drop in export products and, consequently, in the injection of revenue or significant rises in the interest rate.

In Mexico, meanwhile, there is uncertainty and concern, and everything seems to suggest a policy of the greatest austerity. According to local observers, in the face of the four dollar price drop in exported Mexican crude, higher than was officially forecast, the energy emergency has become a financial collapse technical in character. Official information states that the De la Madrid government is preparing to assimilate the crisis internally, and externally to renegotiate debt-service payments, before talking about the inevitable moratorium.

FINANCE MINISTER CALLS FOR INCREASED EXPORTS

FL141746 Mexico City NOTIMEX in Spanish 0400 GMT 14 Mar 86

[Text] Mexico City, 13 Mar (NOTIMEX) -- Mexican Secretary of Finance and Public Credit Jesus Silva Herzog today said that in 1986 the rate of inflation will not decrease, credits will continue to be restricted, and the treasury will receive 3 trillion pesos less.

Addressing the Finance Committee of the Chamber of Deputies, which met at the National Palace, he said that the foreign exchange needed is estimated at $6 billion, of which $4 billion has already been authorized by the Mexican Congress and $2 billion will come out of the negotiations being carried on now. These additional $2 billion will not be obtained from additional credits but rather by putting together a trade package that will permit Mexico to increase its exports by about $1 billion.

There is no talk of additional debt or new credits but rather of increasing our sales abroad, putting our productive apparatus in motion, reducing the tariff barriers of industrialized nations, and thus obtaining the foreign exchange we require, he stressed.

Silva Herzog said the only real way Mexico can obtain additional foreign exchange with which to finance its economic and social development is through a determined, brave, and effective effort to increase exports of goods and services. The secretary of finance said that next Monday he will announce various additional activities to increase exports and stress the need of increasing exports of Mexican products. Silva Herzog told the legislators that the $4-billion increase in indebtedness authorized by the Congress has not been made effective yet but that he is sure of obtaining these resources through negotiations. Referring to the foreign debt, he said that if a total moratorium of interest payments were intended, an amount of $4 billion would be mentioned, which is precisely the amount being requested from abroad, for which reason the country would not come out ahead in foreign exchange.

Postponing the payment of interest gives relief for the period in which interest is not paid but neither the debt nor the payment of interest shrinks, and must be paid for some day. Silva Herzog stressed that from now on the country will have to depend a lot more on domestic resources, whether it wants to or not, and on the savings we can generate, in the private sector, the social sector, and the public sector. Silva Herzog emphasized that from now on the country will have to take a lot of action on several fronts, and that what is done in coming years will basically rest on our internal resources because we will not have easy exports of crude oil at high prices or the international credits that were freely available when oil was king.

FOREIGN SECRETARY DEPARTS U.S. FOR SWEDEN

FL142250 Mexico City NOTIMEX in Spanish 2125 GMT 14 Mar 86

[Text] Mexico City, 14 Mar (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor left for Stockholm, Sweden, today after a 2-day visit in Washington and New York. In Sweden the foreign secretary will attend the funeral service for former Prime Minister Olof Palme, who was assassinated 28 February. Sepulveda Amor will be representing President Miguel de la Madrid.

It was reported that during his stay in Washington and New York, the Mexican diplomat held important meetings with several U.S. officials. The official report said the visit was private.

STRIKES CONTINUE; LABOR CODE AMENDMENTS PASSED

Suspension of Rights Considered

PA171521 Panama City EXTRA in Spanish 17 Mar 86 p 24

[Text] Panama's civilian-military government has contemplated the possibility of suspending constitutional guarantees in the next few days if there is a continuation of the general acts of protest as a result of the government's insistence on amending the Labor Code and the industrial and agricultural laws. This was stated to EXTRA by Government and Justice Minister Rodolfo Chiari De Leon when he was asked his opinion on the tense situation that the country has been experiencing since Friday.

We have been thinking about suspending the constitutional guarantees; perhaps the government will shortly decide something in this regard, Minister Chiari said. A limitation of the rights stipulated in the Constitution would cancel the validity of the individual rights of citizens such as: freedom of assembly, freedom of movement, and freedom of the press; a curfew would be established and the authorities would be able to enter homes without search warrants.

77 Percent Join Work Stoppage

PA171846 Panama City ACAN in Spanish 1709 GMT 17 Mar 86

[Text] Panama City, 17 Mar (ACAN-EFE) -- Seventy-seven percent of the Panamanian industry is paralyzed today to protest the new economic measures that the government wants to establish, private sector sources reported. The industrial strike comes on the 8th day of the general strike by union workers to protest President Eric Arturo Delvalle's economic program, which the labor organizations believe has been inspired by the World Bank. The economic plan includes a reduction of fiscal incentives for the manufacturing industry as well as amendments to the Labor Code.

The Panamanian Industrialists Union (SIP) today called for a 24-hour work stoppage by all its members -- approximately 300 enterprises throughout the country -- to protest the government reforms of the labor, industrial, and agricultural laws. Spokesmen of the management organization told ACAN-EFE that the state will lose more than $250,000 in tax revenue. The enterprises will also lose more than $450,000 worth of sales, according to SIP estimates. The sources said that 68 percent of the food industry, 100 percent of the tobacco industry, 80 percent of the soft drink industry, 52 percent of the clothing industry, 90 percent of the lumber industry, and 75 percent of the leather industry are paralyzed.

Meanwhile, 52 percent of the paper industry, 78 percent of the chemical industry, 75 percent of the plastics industry, 71 percent of the metallurgy industry, and 92 percent of the mining industry are heeding the SIP's call.

More on Management Strike

PA170227 Panama City LA PRENSA in Spanish 16 Mar 86 p 1a

[Excerpts] The national crisis worsened yesterday following the approval of the amendments to the labor code in the second debate. An indefinite labor strike is under way in the country due to the proposed amendments.

In the meantime, the country is preparing to face a management strike by 300 manufacturing firms, at the instructions of the SIP, which will coincide with a 48-hour strike declared by the National Federation of Associations and Organizations of Public Employees.

From Chitre, LA PRENSA correspondent Rogelio Guerra reported that the Chitre chapter of the Chamber of Commerce, Industries, and Agriculture has declared itself on a state of alert in defense of agricultural and livestock sector interests, after learning that the government intends to impose a law detrimental to that sector. However, this management organization appealed to the National Council of Organized Workers (Conato) membership to realize that a struggle is being waged for just causes, but that they will in no way destroy the country's economy or harm the economy of the rural people because if their produce cannot be sold, further ruin will be brought to this sector of the economy, which must not pay such a high price.

Meanwhile, the Coordinating Board for national Civilianization (Cocina) has reiterated its participation in the struggle being waged by the Panamanian people and has recalled 27 November 1984 when 100,000 people took to the streets and managed to get the administration of then President Nicolas Ardito Barletta to withdraw a number of tax measures that were harmful to the interests of the Panamanian people from the National Assembly. Cocina feels that the serious crisis faced by the country can be solved by effecting "a drastic reduction in the Panamanian Defense Forces budget and dismantling the repressive machinery."

Labor Code Amendments

PA171822 Panama City MATUTINO in Spanish 17 Mar 86 pp 1A, 8A

[Excerpts] Following a heated debate and widespread consultation, the National Legislative Assembly yesterday approved, by a broad margin, Bill No 46 which prescribes labor regulations to promote employment and productivity. It is expected that President Eric Arturo Delvalle will sign it today, Monday, so that it may become a law of the Republic.

The law has 11 articles which, according to Labor Commission President Raul Montenegro, correct and improve the Labor Code and, at the same time, is very beneficial for workers.

At the plenum the 67 legislators began discussing the bill on Friday. It was approved on Saturday during the second deabate and it received the approval of the majority of the Assembly in its third debate.

Bill No 46

Third Debate

Bill No 46, (of ----- 1986)

"Through which labor regulations to promote employment and productivity are issued and other norms are adopted."

The Legislative Assembly decrees:

Article 1: To the effect of implementing this labor law, small businesses will be those with 10 or fewer permanent workers if it is an enterprise engaged in agricultural, cattle, services, or retail activities; 15 workers or fewer if it is a manufacturing business; and 20 or fewer if it is an agroindustrial enterprise.

The businesses that provide banking, financial, savings, credit, insurance and reinsurance for real estate, real estate administration, data processing, and publicity services, as well as those engaged in the wholesale of merchandise, will not be considered small businesses. In addition to that which is stated in existing regulations on this matter, the following special regulations will apply for small bussinesses:

1. Overtime will be remunerated at a single rate of 25 percent of the wage.

2. In the cases discussed in Article 22 of Law No 53 of 1975, the Conciliation and Decision Boards, at the request of the General Director of Labor, will order, substituting for the attachment of goods or of the administration of the enterprise, insuring these goods so that they can be placed at the disposal of the court but under the responsibility of the proprietor or the legal representative of the enterprise. In all other cases in which an attachment is requested, the judge, using his best judgement, can decree the insuring if he feels that the requested attachment threatens the existence of the enterprise.

Article 2: In addition to that stated in Article 235 of the Labor Code, relations of rural workers will be ruled by the following special regulations:

1. Overtime will be remunerated at a single rate of 25 percent of the wage.

2. Work performed on a holiday or a mourning day will be paid at a rate of 25 percent of the regular wage.

3. Work performed in two or more seasons will not be considered as a contract for an indefinite period of time.

Article 3: Overtime work performed at industries that devote all of their production to export will be remunerated at a single rate of 25 percent of the wage.

Article 4: The following paragraph is added to Article 35 of the Labor Code: When it is a matter of agricultural and livestock exports, in the small enterprises or industries dedicated 100 percent to exports the workers must work overtime in those cases in which the nature of the activity so demands it and solely in the period that it is so required. The work done in those cases will not exceed the limits established by the law.

Article 5: Article 142 of the Labor Code will be as follows:

Article 142: The wage can only be established by unit of time (month, half-month, week, day, and hour) and by task or piecework. When the salary is established by unit of time, the parties can agree to establish in addition to the latter, complementary bonuses, commissions, or participation in the profits. In no case will the basic wage be less than the minimum legal or conventional wage.

The wage for tasks or piecework will be set in accordance with the job done as long as a minimum is guaranteed to the worker for a daily work day that does not exceed 8 hours or for a lesser period, regardless of the result obtained. The minimum that must be guaranteed will not be lower than the respective minimum wage. The employer and the worker can agree to modify the conditions of the payment for tasks, piecework, commissions, or complementary bonuses.

The periodic fluctuations in the income of the worker due to the fluctuations in the production, sales, or output will not be viewed as an increase or reduction of the wage in terms of Article 159 of this code except in the case that both contracting parties expressly agree to the contrary. The payments that the employer makes to the worker in terms of production premiums, bonuses, and rewards will be considered as wages solely for estimating vacations, maternity leave, and seniority premium to which the worker has a right. For the contributions and benefits of the social security system, the respective special regulations will apply.

Without detriment to the aforementioned, the following will not be considered as wages of permanent and temporary workers: the payments that the employer gives to the worker in terms of the 13th month bonus and its improvements, bonuses, rewards, production premiums, donations, and participation in the profits even when such participation is carried out in the form of subscription or possession of shares andeven when it only benefits one or several workers of the enterprise. For the effects of what is established in Article 70 and 197 of this code, these bonuses, rewards, improvements of the 13th month bonus, production premiums, donations, and participation in the profits will not be considered as a custom, practice, or conditions of work.

Article 6: Article 224 of the Labor Code will be as follows:

Article 224: At the termination of all contracts of an indefinite period, regardless of the cause of termination, the worker will have the right to receive from his employer a seniority premium at the rate of 1 week's salary per each year worked since the relationship began, as long as he has continuously worked with the employer for more than 10 years, without consideration of the age of the worker.

For the terms of the payment of the seniority premium to which this article refers, the furnishing of services during the 10 years previous to the validity of this code will only be recognized as long as the work relationship existed at the date in which the present law goes into effect.

Article 7: The following will not be considered a worker: He who carries out a task by virtue of an agreement through which a person sells or delivers raw materials or objects to him for transforming or manufacturing them in his home or another location freely chosen by him without any type of supervision or management in whatever activity is involved.

This provision will also be applied in those cases in which the persons contracted to provide the service is obligated to sell the result of the transformation or manufacture to the supplier of the raw materials or objects or to a third party designated by him.

Despite the aforementioned, the contracted persons will have the right to social security benefits in accordance with the regulations established by the Social Security Fund.

A Tripartite Commission is created to watch over the fulfillment of the provisions established in this article. This commission is comprised of the following: 1) a representative of the workers; 2) a representative of the employers; 3) a representative of the government.

The members of the commission will be appointed by the executive branch through the Labor and Social Welfare Ministry. The representatives of the workers and the employers will be chosen from lists submitted by the National Council of Organized Workers and the National Council of Private Enterprise, respectively. The government representative must be an official of the Labor and Social Welfare Ministry.

Article 8: In addition to what is established in Article 914 of the Labor Code, an appeal can be filed at the Superior Court against the rulings issued by the Conciliation and Decision Boards in the processes whose sum exceeds 2,000 balboas or when the amount of the benefits or indemnifications that must be paid in replacement of the reinstatement, including the accrued wages, exceed that sum. In these cases, no wages will be accrued during the second phase of the process.

Paragraph: The rulings issued by the Superior Labor Court in the cases provided for in the present provision have a definite nature, do not admit a subsequent appeal, and produce the effect of res judicata.

Article 9: Article 78 of the Labor Code will be as follows:

Article 78 When the furnishing of a service demands some ability or skill, the clause that sets a probational period for up to 3 months will be valid as long as this is expressly stated in the written work contract. During such a period, any of the parties can terminate the work relationship without any responsibility.

Article 10: This law modifies Articles 33, 36, 49, 70, 140, 142, 159, 197, 212, 218, and 224 of the Labor Code as well as Article 2 of Law No 53 of 1975; provides additions to Article 35, 235, and 914 of the Labor Code; and annuls Articles 232 and 233 of the same code as well as Article 12 of Law No 7 of 1975 and all provisions that are contrary to it.

Article 11: This law will enter into force at the time of its promulgation.

To be made known and published.

Camilo Gozaine G. President of the Legislative Assembly

Eramos Pinilla C., Secretary General

Labor Minister Comments

PA172015 Panama City Circuito RPC Television in Spanish 1730 GMT 17 Mar 86

[Interview with Labor Minister Jorge Federico Lee by Julio Miller at the Legislative Assembly on 16 March — recorded]

[Text] [Lee] I believe that with the approval of this draft bill on labor measures by the Legislative Assembly we put an end to a number of traumas that the country could have suffered.

We really saved the country from a number of economic problems that would have worsened gradually.

I think that the time has come to look forward and see what else should be done; the time has come again to call on the labor and business sectors to continue struggling together to build a more prosperous country.

We believe that these nine measures approved by the Legislative Assembly today will bring more hope to our workers and more jobs to the unemployed youths and women of our country.

I know that there was a great lack of understanding, that there was a great national debate on this situation, but that is exactly what a democracy is all about. Democracy is being able to debate on whether a step, which is decisive to the country, is appropriate.

Now that the Assembly has decided to make this draft bill a law, we think that a necessary decision was made; a decision that gives the government the opportunity to implement an economic development plan and to begin to adopt specific measures regarding the economic reactivation needed by our country. I think that real democracy was exercised.

We will continue to promote collective bargaining to ensure that workers fortunate enough to belong to a union and enjoy a collective work agreement will be able to continue, with our mediation, to further improve their labor conditions.

We will step up the work of the National Employment Directorate to get a better picture of the unemployment situation this year. We have already begun to implement specific measures regarding the gathering of specific data on unemployment and what actions must be implemented at the government and national level.

As I said, the time has come again for the labor sector, its leaders, and business leaders to sit down to talk and determine the future of this country.

[Miller] Mr Minister, specifically speaking, we could say that unemployment is the Achilles heel of the Panamanian economy at the present time; what will guarantee to the citizens at large that the draft bill on amendments to the Labor Code, which was approved today, will constitute a factor to increase employment in Panama?

[Lee] Yes. There is one fact that is evident. If we had done nothing, unemployment would have continued to increase, and perhaps in 5 years, it would have become a really unstoppable problem. This is mainly because most of the unemployed are youths with a high school education.

Approval of this draft bill, with other complementary projects in the industrial and agrarian areas and other administrative measures that are being implemented and will be implemented, we opened the door for more possibilities.

We adopted specific steps to bring more categorical solutions to this great problem facing the youth of our country. We really think that this step was necessary. This step was costly; it was the result of a great lack of understanding, due perhaps to a lack of analytical capability on the part of certain sectors. However, sometime in the future we will realize that had we not done this, unemployment would have increased, the economy of our country would have collapsed, and we would be left with no hope to carry us forward.

BRIEFS

NEW AREA ENVOYS APPOINTED -- Panama has named Julio Aldrete as ambassador to El Salvador, David Manuel Pere Ramos ambassador to Costa Rica, and Luis Carlos Zarak de la Guardia ambassador to Honduras. [Summary] [Panama City EXTRA in Spanish 12 Mar 86 p 5 PA]

COSTA RICA

MONGE DENIES EXISTENCE OF ACCORD WITH NICARAGUA

PA171938 San Jose Radio Impacto in Spanish 1839 GMT 17 Mar 86

[Text] President Luis Alberto Monge issued a communique this morning through Information Minister Armando Vargas saying that there is no agreement between Costa Rica and Nicaragua. The president said that Costa Rica believes only in an overall resolution of the Central American crisis and that he does not believe in bilateral agreements to face the region's crisis. Vargas read:

[Begin recording] It seems necessary to state very clearly that the Costa Rican Government has made no agreement with the Nicaraguan Government. What was done at the end of the meeting of deputy foreign ministers held on Wednesday, 12 March, was to draft the basis on which an agreement may be prepared. Therefore, it is incorrect to say that there is an agreement between Costa Rica and Nicaragua.

The negotiations that were made are the results of a suggestion I made 3 years ago so that an international group would watch the border between Costa Rica and Nicaragua and could determine the cause of the incidents that have occurred over the years that have brought anxiety to the homes of Costa Ricans living in the area.

The initial suggestion was rejected by the Nicaraguan Government. This leads me to believe that if they changed their opinion now it is because of international pressures on that government, and I feel that these pressures were necessary.

Participating in these talks does not mean that Costa Rica is abandoning its interest in having an overall agreement that resolves the Central American crisis. For this reason, we must go beyond a resolution of border incidents. There must be an agreement that resolves the problems of peace and security, as well as the democratization and the social and economic development of Central America. [end recording]

The information minister continued by saying that Monge feels that any resolution to the border problem must have a temporary nature while a general agreement -- such as that contemplated within the Contadora agreement -- is reached.

He said that 3 years have already passed regarding this agreement, and no progress has been made; the truth is that Central America has focused its hopes on the Contadora Document for an overall agreement.

EL SALVADOR

DUARTE ON POSSIBILITY OF REBEL DIALOGUE

PA172350 San Salvador EL MUNDO in Spanish 15 Mar 86 p 3

[Text] President Jose Napoleon Duarte has stated that he has not ruled out the possibility of holding talks with the Salvadoran guerrillas within the framework of the La Palma spirit; that is, without any conditions and at the national level.

Duarte was briefly interviewed by reporters at the presidential palace at noon yesterday when he was waiting for Costa Rican President-elect Oscar Arias Sanchez, who met him to personally invite him to attend the presidential inauguration events scheduled for May.

Explaining the case of the dialogue, the Salvadoran president said that "This issue must be examined from three levels: first, a national level, which is what we have tried to promote since 15 October 1984; then, the regional level which is what is proposed now within the conflict of Nicaragua with the contras; and, the international level, which is the Contadora level. [quotation marks as published]

The outlook for continuing the dialogue within the La Palma framework has not been ruled out, said Duarte, criticizing the FMLN stand of wanting to do everything by force. I have reiterated my theory on many occasions; I have said that I will not go to any dialogue through force or a tactical move. What is needed is sincerity by the fronts and not what they keep saying: that I am the bandit and they are the good guys, said the president.

Since Duarte's talks with Arias lasted until the early afternoon hours, we were unable to get the viewpoint of the future Costa Rican president regarding the regional political situation.

Costa Rica and Guatemala have been taking a stand that is not favorable to the contras because of the neutrality of those governments, and President Vinicio Cerezo and Sanchez have said that they will continue that policy.

At a luncheon given at the Camino Real Hotel on 13 March, Duarte referred to the creation of the Latin American parliament saying that it would be an instrument to curb Nicaraguan political activities that are not in line with the policy of the other countries in the region.

The creation of the parliament is an initiative of the Guatemalan president, and it must be made up of all five countries in the area.

GUATEMALA'S CARPIO CITED ON AREA SUMMIT

PA171914 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Mar 86

[Text] Guatemalan Vice President Roberto Carpio Nicolle, who concluded a Central American tour in our country, said at a press conference that the presidents of all the Central American countries, including Nicaragua, have accepted the invitation to a May summit in the Guatemalan city of Esquipulas. Isidro Emilio Martinez reports:

[Begin recording] [Martinez] At a press conference held in one of the hotels in San Salvador, Guatemalan Vice President Roberto Carpio Nicolle announced today that all the Central American presidents have confirmed their participation in the summit to be held in Esquipulas during the second half of May.

[Carpio] Basically, the idea is to create a permanent Central American forum in the form of a parliament that will operate on a continuous basis. The vice presidents would be in charge of certain fields, while the presidents would handle the political aspects. This initiative would give the Central American countries the opportunity to take command of their own ship. This, of course, would not limit any other initiatives that may continue to exist outside the area.

[Martinez] Carpio also referred to President Duarte's proposal calling for simultaneous talks between the guerrillas and the governments of El Salvador and Nicaragua.

[Carpio] President Duarte's initiative is positive. I believe that solutions to the problems in the area can be discussed in the area. It is important to realize that any dialogue can be positive if it can bring the Central American countries together in seeking solutions to our problems, because unless we find a common point, we will never solve our problems, and instead they will continue to worsen.

[Martinez] Carpio added that vice presidents will have a role within the parliament, so that they can participate in the handling of Central American economic issues. [end recording]

GEN BUSTILLO ON USE OF NEW U.S. AIRCRAFT

PA180002 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Mar 86

[Text] New A-37 and C-47 planes will be incorporated into the Air Force in the next few days. This announcement was made by General Juan Rafael Bustillo, Air Force commander. Here is a report by Carlor Armando Rivera:

[Begin recording] [Rivera] Air Force Commander Bustillo today announced that the United States will soon send new aircraft within the framework of an effort to dignify the war [dignificacion de la guerra] against leftist guerrillas.

[Bustillo] The use of the air weapon, in this type of struggle we are carrying out in our country, is very important because to have the surprise factor on your side you must be quick. In this regard the Air Force has the means to give the greatest mobility to the Armed Forces.

[Rivera] Will the Air Force ask the United States for more aid, or will it present a request to Congress so that this aid will be approved?

[Bustillo] We are under the Joint General Staff of the Armed Forces. That is where they decide all the overall needs of the Armed Forces. That is where we address all our requests in accordance with the needs and projects we have in order to destabilize the subversion. That is also where a distribution is made of the economic means in order to acquire the aircraft or weapons we need.

[Rivera] Does the Inter-American Defense College, a delegation from which is currently visiting our country, have anything to do with that?

[Bustillo] Yes, they are currently visiting our country. They pay an annual visit to certain countries of Latin America. On this occasion we have the opportunity to receive them and give them an explanation about our military activities. [end recording]

The Air Force currently has 50 UH-1H helicopters, 9 A-37 bombers, 6 Hughes 500 models equipped with special 4C47 miniguns, and Fouga planes to carry out a counterinsurgency struggle. The Salvadoran Government presented reports in the 1986 budget on the need for aircraft training so that this can be approved by the U.S. Congress, Bustillo reported. [end recording]

CITIZENS MARCH IN SUPPORT OF ECONOMIC MEASURES

PA172224 Panama City ACAN in Spanish 0043 GMT 16 Mar 86

[Excerpts] San Salvador, 15 Mar (ACAN-EFE) -- More than 60,000 people marched through the main streets of this city today to support publicly President Jose Napoleon Duarte's economic measures.

During the march, the demonstrators demanded that the government continue a sincere dialogue with the guerrillas in order to bring peace to El Salvador and continue the [economic] reforms. They also reaffirmed their support for the Christian Democratic government. The march, organized by the National Peasant Worker Unity, brought thousands of peasants and workers together from different parts of the interior in special buses. During the march, demonstrators were observed by security agents posted on corners where the march was to pass, in order to divert traffic.

The Salvadoran ultraconservative parties have criticized today's march from its inception, because "they consider it fraudulent and that most of the marchers were forced to participate. [quotation marks as received]

On the other hand, the government said this week that the organizers of the demonstration are "poor, peace-loving people who back the agrarian reforms and the recent economic measures decreed by President Duarte."

BOMB ATTACK DESTROYS CENSUS BUREAU, FILES

PA171609 San Salvador Radio Cadena YSKL in Spanish 1500 GMT 17 Mar 86

[By Raul Beltran]

[Text] We are making an urgent call from the General Directorate of Statistics and Census to the National Administration of Waterworks and Sewers [ANDA]. We repeat we are making an urgent call from the General Directorate of Statistics and Census, where armed individuals carried out an attack which initially destroyed 17 vehicles of the General Directorate of Statistics and Census as well as the files of this institution.

A fire, which began at approximately 0800, has prompted the general mobilization of the 250 workers, who are practically emptying these installations. They are moving out furniture, desks, filing cabinets, and some of the documents that were saved. They are placing them in the northern part of the building on Arce Street.

The fire occurred at 0800 when unknown individuals, who were heavily armed and carried incendiary bombs, hurled the bombs at 18 vehicles and proceeded to burn part of the general files of the General Directorate of Statistics and Census.

The problem being faced now by firemen is that the hydrants do not have any water. There are 5 fire trucks here with approximately 25 firemen. They are urging ANDA to supply the water as soon as possible to control the fire, which has already burned the southern part of the building and is threatening to spread to the general installations of the General Directorate of Statistics and Census.

We repeat this occurred on Arce Street and up to now, according to official reports, there have been no casualties.

Building Completely Destroyed

PA171739 San Salvador Radio Cadena YSKL in Spanish 1700 GMT 17 Mar 86

[Text] This is another report about the fire that began at the General Directorate of Statistics and Census at 0800 this morning.

The firemen were unable to control the fire after fighting it for 2 and 1/2 hours. The work of the firemen was hindered by the lack of water at the hydrants despite the great effort made by the firemen of San Salvador and the 10 fire trucks sent to the site of the incident.

Colonel Hector Fermin Aguila, director of Statistics and Census, has not been able to estimate the damage, but noted that three specific things were lost. He granted a special interview at the end of the acticns carried out by the Fire Department, which was unable to put out the fire this morning. The entire building burned down.

Col Aguila told this station that, initially, the biggest loss is the building. He then continued to list the losses in this morning's tragedy:

[Begin recording] [Aguila] Second, the computer equipment which was rented, and third, some vehichles I have not checked because I have not gone to the back of the building. As you can see, in order to estimate the losses we have to make an evaluation. [passage indistinct]

[Beltran] Certain workers, especially those in the motor pool, said that the action was carried out by four young men armed with gasoline and other supplies. They placed the incendiary bombs in strategic places and proceeded to get the personnel out of the building. We repeat that this was an attack that has not been claimed by any of the guerrilla fronts operating in the country. What do you think was the objective of destroying the files, the vehicles, and the entire building?

[Aguila] If that is the way you put it, you know that this is part of the central government. Some of the files had been put onto film, and we will be able to recover them. I am surprised about the attack because this is a technical office. We do not recieve any revenue; on the contrary, we perform a service for our society. We give statistical figures of all kinds, on economic, social, demographic, cultural, and other matters.

[Beltran] How long do you think it will take to restore the General Directorate of Statistice and Census, according to what you have left and the strategy and the service you perform?

[Aguila] One would have to analyze the files recovered, and once this established, I think that current statistics can be handled perfectly well. However, the problem will be with historical statistics which were all burned.

[Beltran] Have you been keeping statistical data since 1920?

[Aguila] The first census was conducted in 1930. This was valuable data in studying El Salvador back then. [end recording]

REBELS REPORT RESULTS OF TRANSPORTATION STOPPAGE

PA140022 (Clandestine) Radio Vencermeos in Spanish to El Salvador 0000 GMT 13 Mar 86

[Text] The national transportation stoppage is in its 3d day in El Salvador and being carried out successfully in large areas of national territory.

On the 3d day of the national transportation stoppage sugar production has been paralyzed. We repeat: Numerous sugar mills in different areas of the national territory have been paralyzed as a result of the transportation stoppage.

A report states that international trade is paralyzed; fuel transportation to industrial centers is nil. The transportation of exports stands at zero. The objectives of the national transportation stoppage are being fulfilled through the interruption of the transport of export products, the source of foreign currency to maintain the genocidal battalions.

In this struggle to defeat this system of corruption, torture, death, hunger, and bombing of the people, the national transportation stoppage is our response and it continues with full effectiveness.

Stoppage Lifted

PA161900 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 Mar 86

[Text] Attention, much attention. Radio Venceremos announces that as of today, Sunday, the national transportation stoppage will be lifted. Therefore, beginning today, all the main and secondary roads in the country will be reopened.

Today we end a successful transportation stoppage implemented by the FMLN, dealing a serious blow to the Duartist regime's economy. It was a national transportation stoppage to repudiate the packaged swindle and the genocidal bombings against the civilian population. The national transportation stoppage has ended.

GUATEMALA

COSTA RICA'S ARIAS VISITS, MEETS LEGISLATORS

PA171810 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 14 Mar 86

[Text] Attorney and political expert Dr Oscar Arias Sanchez, Costa Rican president-elect, met this afternoon with the Board of Directors of the Congress of the Republic headed by Alfonso Cabrera. According to reports, various topics, mainly related to the conflict-ridden Central American situation, were discussed.

The Costa Rican president-elect will be inaugurated on 8 May. Dr Oscar Arias, who was nominated by the ruling Social Democratic National Liberation Party, won the presidential elections in February.

Dr Oscar Arias Sanchez said that he came to Guatemala to honor an invitation from President Vinicio Cerezo with whom he strengthened the friendship ties that united our country with Costa Rica. He added that Costa Rica is seeking a dialogue to resolve problems with neighboring Nicaragua. Arias expressed joy for Guatemala's return to democracy.

The Costa Rican president-elect is accompanied in his Central American tour by Carlos Rivera, future deputy foreign minister, Dr Rodrigo Madrigal Nieto, future foreign minister, and Mr Erian Garzona Salazar, future public security minister.

Arias will leave for El Salvador tomorrow. He will meet with Napoleon Duarte, president of that brother country, and members of the Salvadoran Congress.

VICE PRESIDENT CARPIO PREPARES REGIONAL SUMMIT

FL180158 Mexico City NOTIMEX in Spanish 2155 GMT 17 Mar 86

[By Juan Gaudenzi]

[Excerpts] Guatemala City 17 Mar (NOTIMEX) -- If we descirbed U.S. military aid to the Nicaraguan contras, we would be involving ourselves in the Central American conflict and changing our neutral position, Guatemalan Vice President Robert Carpio has said.

In an interview granted to NOTIMEX, Carpio added that Guatemala is conscious of the fact that the results of its initiatives in favor of peace and Central American integration depend basically on external factors.

Carpio, chief assistant to Vinicio Cerezo in the design of Guatemala's foreign policy, took over the duties of the Presidency today while the president is on a trip to Venezuela and Puerto Rico. Carpio is responsible for preparing a meeting of Central American presidents to be held in the Guatemalan town of Esquipulas. Carpio explained that this meeting will be held on 12 and 24 May [as received] and that regional problems and the presidential initiative regarding the creation of a Central American parliament will be discussed at that summit meeting. The principal regional political currents will be represented in that parliament, the vice president said, adding that we are thinking in terms of a political organization consisting of 50 members, 10 from each country, directed by a five-man general secretariat that would rotate every 3 months.

The maximum authority of the parliament would be the plenum of the regional chiefs of state but there would be an intermediate level, represented by the vice presidents, to deal specifically with matters concerning economic integration.

Carpio, who has just returned from a tour of neighboring countries, said that in all of them he found total acceptance for the meeting in Esquipulas and for progressing in creating a parliament. He added that of course each government has its own ideas, for which reason the summit agenda will be discussed at a prepartory meeting to be held in April, either here or in Costa Rica, at which the vice presidents or the foreign ministers will participate.

To conclude, Carpio said that the contras are real, and they are located on the Nicaraguan border, just as the Salvadoran guerrillas are real. There are only two alternatives: to continue the war with foreign intervention or begin negotiations in which both sides make concessions.

GAM OPPOSES GEN LOBOS' DIPLOMATIC APPOINTMENT

PA160016 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 15 Mar 86

[Text] Ines de Garcia, leader of the Mutual Support Group [GAM], said today that letters heve been sent to the sister Republic of Panama urging that it not accept General Rodolfo Lobos Zamora as a representative of our government. GAM specifically requests that Lobos Zamora be declared persona non grata and that the government's approval be denied [5-second break in transmission] one of the intellecutal authors of kidnappings and illegal arrests.

GAM organized another demonstration this afternoon in front on the National Palace demanding a trial and the punishment of those who killed our people.

Lobos Zamora was insistently mentioned along with other former military and police commanders. GAM said it will not relent in its struggle for the respect of human rights and justice, adding that Lobos Zamora's appointment as ambassador was a humiliation for the group and the Guatemalan people.

GAM will not be ordered around by anyone; it is only moved by sorrow, said Mrs Ines de Garcia in a statement made this afternoon to GAM members. She said they can march with their heads held high because no one can order them around. She added the only thing that may move them is the sorrow of being separated from their loved ones and not having information about them. Ines de Garcia said to GAM that they may feel very pleased because the international community has supported them morally; proof of this is that GAM was recently nominated for the Nobel Peace Prize.

PRIVATE SECTOR DISAGREES WITH ECONOMIC PROPOSAL

PA171234 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 13 Mar 86

[Paid advertisement of the Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations, CACIF, dated 12 March Guatemala City -- read by announcer]

[Text] The Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations, CACIF, states the following in connection with the government's proposal regarding the need to implement a program of national reorganization:

1. The country's organized private sector reiterates its readiness to contribute in any way that will lead to our homeland's enhancement and the prosperity of its inhabitants, as was publicly stated at the beginning of the current administration.

2. In this regard, it is ready to engage in dialogue on a package of measures aimed at addressing the serious economic and social problems plaguing our nation.

3. Notwithstanding, it must be clear that the process of harmonization [concertacion] regarding the proposed program has primarily taken place among the various advisers of the government, so much so that the private sector is not familiar with the details. Consequently, and based on the right to disagree in a democratic system, the private sector reserves the right to give its opinion in the future on specific measures that are still unknown.

4. Acknowledging the fact that it is necessary for various sectors to assume their share of the sacrifices to stop the process of economic and social deterioration, it is a source of concern that in the political document presented to the Guatemalan people, the government, rather than limiting itself to the essential, emerges bigger than before. This forces us to point out the danger that good intentions may be distorted by a wider state intervention.

COTTON GROWERS CRITICIZE GOVERNMENT POLICY

PA171918 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 13 Mar 86

[Paid advertisement by the National Cotton Council and UNAGRO, National Agricultural Union; no date given -- read by announcer]

[Text] Is the consensus aimed at creating jobs or not?

The Christian Democratic government intends to reduce to 30,000 manzanas the cultivation of cotton, leaving 10,000 without cultivation, because, it claims, cotton production must be sacrificed in order to use that land for the diversification of agriculture. However, with that measure, this administration will leave at least 28,000 peasant families, with an average of six people per family including children and elderly, without a source of income. It will prevent workers who make a living from cotton from earning 32 million quetzals in wages. It will take the government 5 years to diversify crops in the 10,000 manzanas currently used to grow cotton, and there is still no certainty that effective results will be obtained, thus placing 240,000 Guatemalans in poverty. These are Guatemalans who, thanks to the 100,000 manzanas that cotton growers can work nowadays, have a sure job and a salary.

Is the consensus aimed at creating jobs or not?

HONDURAS

PRESIDENT ON ACTIONS OF FIRST 40 DAYS IN OFFICE

PA171432 Tegucigalpa LA TRIBUNA in Spanish 10 Mar 86 p 8

[Text] During the inauguration of the 20th national agricultural, industrial, and trade exhibit in Choluteca on Saturday, President Jose Azcona promised to respect the right of private property. In his speech, the president presented a report on the main activities carried out in the first 40 days of his government and reiterated that honesty and justice will be the norm of behavior during his administration.

"Morality and total dedication to governmental activities will be a constant commitment for all government officials, from the president down to the lower echelon of the government system." The president added that "we also promised that despite the most adverse circumstances, we will not yield to the interests of any group that may attempt to harm the rights of another sector. Justice will be our best guide."

Azcona reiterated that in the search for the common good, "the daily task will be to protect the respect of the right of private property. These concepts are fundamental as principles of the liberal doctrine and will be sacred for us."

Speaking of what he has done in the first 40 days of government, he said that in those days he has talked with almost all the sectors of the nation and will continue to talk so that all decisions made by the government, as much as possible, may have the support of the Honduran people.

President Azcona said that among the measures he has adopted to date, and which he promised during his political campaign, are: incentives for cotton production; more jobs for teachers; 3,000 new road maintenance jobs; 10 million lempiras to finance the construction of houses; and others.

The president also announced that the government has decided to increase the trust fund handled by the Honduran Central Bank for transportation, to speed up the use of resources from loans and donations from international financial organizations, and to increase the fund for small farmers and craftsmen.

Regarding the measures to reduce operating expenditures, the president said that some positions in the diplomatic and consular service have been eliminated because they are not considered necessary.

He also said that the government has canceled the scholarships that it used to grant to youths for studying abroad professions that are taught in Honduran universities.

GOVERNMENT SUPPORTS SALVADORAN PEACE PROPOSAL

PA162315 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 13 Mar 86

[Communique issued by the Foreign Secretariat; date not given -- read by Danilo Antunez]

[Text] The Honduran Government today officially received a copy of the note presented by the Salvadoran Foreign Ministry to the Nicaraguan commercial attache in El Salvador addressed to Commander of the Revolution Daniel Ortega Saavedra, Nicaraguan president. The note contains Salvadoran President Jose Napoleon Duarte's peace proposal to all Central American presidents. The peace proposal is summarized as follows:

1. A simultaneous dialogue between you, President Ortega, and the Nicaraguan political and military opposition groups in Nicaragua; and between my government and the FMLN and FDR in El Salvador. The two dialogues must be held on the same day and at the same hour.

2. A meeting of all Central American presidents aimed at finding joint, integral solutions to the region's problems.

3. The integration of a Central American parliament, with all political and social sectors of the region represented, which will provide a permanent forum for dialogue and consultation of regional problems.

The Honduran Government fully supports Salvadoran President Jose Napoleon Duarte's peace proposal presented to the governments and peoples of Central America. The violence experienced by the area can and must be resolved through negotiations leading to a balanced understanding.

The Salvadoran president's peace proposal also reiterates the statements included in the Caraballeda Message for Peace, Security, and Democracy in Central America; in the Punta del Este document dated 28 February 1986 and issued by the foreign ministers of Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, and by the foreign ministers of Argentina, Brazil, Peru, and Uruguay, members of the Support Group; and in the draft of the Contadora Group Document for Peace and Cooperation in Central America in accordance with the text proposed in 1985.

In accepting and supporting the peace proposal presented by Salvadoran President Duarte, the Honduran Government invites the Nicaraguan Government to accept the proposal so that in a noble action it may also grant its approval and implement it.

COSTA RICA'S ARIAS HOLDS PRESS CONFERENCE

PA161655 Tegucigalpa Radio America in Spanish 2049 GMT 15 Mar 86

[Press conference by Costa Rican President-elect Oscar Arias in Tegucigalpa with national and foreign reporters -- live]

[Text] [Arias] [Sentence indistinct]. First, I want to greet the Honduran Government officials and people on behalf of the Costa Rican Government and people. I have paid a short visit to some friendly Central American countries -- Guatemala, El Salvador, Honduras -- to confer with their presidents.

I believe that nothing unites the peoples more than personal knowledge if we want to have friendly relations in which we can talk over the telephone and solve the problems of our two peoples in the traditional diplomatic ways. We discussed many topics. We believe that the future of democracy in Central America depends largely on the success of the weak Central American economies. For this, we must contribute the best of our intelligence, willingness, and work to achieve the growth rates Central America had in the past but no longer exist today for reasons familiar to all of you; namely, the common market crisis, protectionism by wealthy Western countries, whether socialist or capitalist, and the deterioration of trade for our products. At least for the moment, these conditions have improved with a rise in the price of coffee and a drop in oil prices. Undoubtedly however, a sort of Damocles' sword hung over the development of the Central American economies for many years.

We also mentioned the need to struggle tirelessly to find peace and a solution for the problems that still plague friendly countries; to do our utmost to have peace, and also to reiterate what we have often said; namely, that it is difficult to attain this peace if there is no democracy in all of Central America. Costa Rica, as the peaceful country it is with a long civil tradition, still hopes that it is possible to find a solution for the disagreements between friendly countries through negotiation.

Generally speaking, my short visit ends in this country. I am really pleased to be able to tell you that the four presidents have agreed to support an initiative by President Napoleon Duarte whereby he offers to hold a dialogue with the Marxist-Leninist guerrillas that oppose him. Duarte makes the condition that this dialogue parallel a dialogue between the Daniel Ortega government and those who oppose the Nicaraguan regime. We of the four countries have supported this initiative by Duarte, and I am very satisfied because this is another step in our being able to show the world that the Central American democratic nations are convinced that the flame of hope still burns here and that it is possible, though negotiation and a political solution, to find the peace that the future economic development of the Central American area demands. This is basically why I have visited this great Honduran nation.

[Moderator] Douglas Membreno of Radio America.

[Membreno] The Costa Rican president-elect has said the four Central American countries support Salvadoran President Duarte's initiative. To what extent will this support for the Duarte initiative weaken or (?strengthen) trust in the Contadora peace process?

[Arias] The effort of the four Contadora countries at the Support Group helps bolster this trust. At least this support has the same purpose of seeking a political solution for Central American problems. The two do not oppose each other; quite the contrary, it is another push for the Contadora and Support Group efforts.

[Moderator] Danilo Antunez will now ask a question.

[Antunez] After you talked with the other presidents of the region, we would like to hear your opinion on the $100 million in aid President Reagan has requested for the Nicaraguan counterrevolutionaries. Is this equivalent to adding firewood to the fire?

[Arias] [Words indistinct] Costa Rica's stance as a civilian country advocates dialogue because all democrats feel that dialogue is the best of solutions and have faith in the possibility of settling disagreements through talks and negotiations. To negotiate it is necessary to give and take. This is what Costa Rica has always stated. We advocate a political rather than a military solution. For this, and in agreement with this, we Costa Ricans have advocated and will continue to advocate that Central American problems be solved through dialogue and negotiation rather than through war.

[Question indistinct]

[Arias] Any answer that I could give is but a hypothesis, a conjecture. The truth is that President Reagan currently attaches the greatest importance to the Central American nations. For this reason, perhaps, he has chosen one of his ablest diplomats, Philip Habib. He has great experience and knowledge and has already demonstrated his ability in solving conflicts elsewhere in the world. I can only say that the best U.S. diplomat will try to seek solutions for Central America.

[Moderator] Reporter (?Graciela) Murillo of the ABC newspaper of Madrid, Spain.

[Murillo] Mr President-elect, I would like to know your opinion on why Nicaragua was not invited to the meeting held in San Jose on Thursday, in which an ad hoc commission was formed to seek economic and financial solutions for the area. It was said at the time that Nicaragua was not invited for reasons (?related) to free enterprise. In addition, we want to know the mechanisms for the implementation of the Contadora and support group initiative by the recently created commission to prevent (?tension) and conflicts at the Nicaragua-Costa Rica border.

[Arias] Regarding the latter, all I can tell you is that I believe -- and I reiterate something I have said many, many times, because this is what I believe -- that the peace problems in Central America can be solved only on a multilateral and not a bilateral basis. It is not through Nicaragua negotiating with Costa Rica, Honduras negotiating with Nicaragua, Honduras negotiating with El Salvador, or Guatemala negotiating with El Salvador that border problems or disagreements between these nations can be settled. I think -- hence our support for Contadora -- that it is necessary to sign a document that commits all countries economically, socially, and politically, and particularly the latter. We want democracy for all Central American nations because there be no peace without democracy. Regarding the first questions, I really have no answer because I know of no answer. I do not know why Nicaragua was not invited to discuss the economic and particularly the financial problems, or rather how to finance these countries' deficits. I really cannot account for and cannot justify that. I did not even know that Nicaragua had not been invited. These topics really concern those countries that trade with each other to some extent I venture an opinion which is that Nicaragua does not trade much because it neither buys nor sells much in Central America.

[Moderator] Another of the reporters, Valdes, will now ask a question.

[Valdes] Mr President, what will happen if this initiative by President Duarte is not accepted by the Nicaraguan Government or the objectives you have stated are not achieved? Also, what is your personal opinion regarding the statement made by President Reagan to the effect that he is a contra?

[Arias] Regarding the latter, it is a reiteration by the U.S. President that he believes that the military pressure the contras may exert is necessary and essential in order to force Daniel Ortega's government and the nine commanders to sit down at a table to negotiate. Regarding the other part of your question.... [interrupted by unidentified person whose words are indistinct] I would say that it would be truly traumatic and frustrating to see an initiative prepared and stressed by 4 Central American nations -- and which has been an old struggle among 12 countries, the 4 of Contadora, the 4 of the Support Group, and the 4 Central American nations which for many years have tried to find a political solution to the Central American conflicts -- come to an untimely end due to the stubbornness, the lack of willingness of the Sandinist government to see that if there is no negotiation -- and negotiation implies yielding and compromise -- there is no possible political solution to the differences existing with Nicaragua, and I do not believe in this type of behavior. For us it would be a sort of [words indistinct] after making so many efforts to find a political and negotiated solution, for the effort to fail due to the stubbornness of Daniel Ortega's government.

[Unidentified reporter] Mr President, speaking of peace, would you lend your territory for the preparation of a possible invasion of Nicaragua by the U.S. Government?

[Arias] As you know, for a very long time Costa Rica has proclaimed its neutrality, and I believe you know the definition of this neutrality. Costa Rican neutrality does not mean to be neutral in the struggle between East and West, because we fully identify with Western values, with the values and principles of Western democracy. However, this neutrality means that Costa Rican territory will not be used for military ends. We have done this in the past, we will do it again in the future, and I really intend to make this neutrality effective and real. I have said that with our Foreign Minister Rodrigo Madrigal [as heard], we want to change Costa Rican diplomacy and we believe we have the prestige to do so because we are a very well established democracy in Central America and Latin America. We will use the worldwide prestige we have an an exemplary democracy to struggle for the search for peace and democracy in Central America and Latin America in general.

ARMY, SANDINISTS EXCHANGE FIRE ALONG BORDER

PA171437 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 17 Mar 86

[Report by Juan Ramon Aguileraz. from Choluteca -- live telephone relay]

[Text] On Friday, 14 March, the EPS attacked our territory for 8 hours, from 0830 until 1630. The surroundings of La Tetera, a small hamlet located 2 km from San Marcos de Colon, were burned by grenades and mortars launched from Nicaraguan territory. In addition, a paddock of San Diego ranch, owned by Ramon Victor Molina, was burned.

The surroundings of the customs office and nearby hills where Honduran soldiers had taken up position were also burned. More than 100 vehicles, including vans, trucks, and tourist buses were parked along the Panamerican Highway between San Marcos de Colon and the Nicaraguan border because customs employees left their offices in response to an order of the chief of vigilance to evacuate.

More than 1,000 well-armed Sandinist troops have taken up positions on the Nicaraguan border with arms and heavy mobile equipment. They also have caterpillar tractors digging trenches to conceal soldiers and weapons in the event of bombings. This was reported by tourists coming from that country.

The firing lasted 8 hours, and although our Army has orders not to respond to attacks from Nicaragua, our troops had to repeal the aggression with heavy weapons and intense fire. This is how they stopped the attack.

We want to warn that we did not say that the customs office was destroyed. That was a report that was interpreted incorrectly. Thus, we are explaining the following, the customs office was not destroyed. It surroundings were set on fire by Sandinist weapons.

No one can doubt now that Nicaragua has declared war on us.

The open fire was from Honduras [as heard] and it was not a dream because it hit the customs office [words indistinct] and burned the country's vegetation.

Border residents are constantly nervous. They are afraid that they will lose their humble belongings, and they continue to await a fatal outcome.

U.S. TROOPS LINKED TO COMAYAGUA HEALTH PROBLEMS

PA152155 Panama City ACAN in Spanish 1828 GMT 13 Mar 86

[Excerpts] Tegucigalpa, 13 Mar (ACAN-EFE) -- Honduran President Jose Azcona Hoyo announced today that control measures will be adopted for U.S. troops stationed in the country in the wake of reports of several cases of AIDS and sexual abuses. In brief statements to local reporters, the Honduran president confirmed that he has already received a complete report on certain irregularities committed by the American soldiers. The Americans are stationed at the Honduran Air Force Base in Palmerola near the city of Comayagua, which is in the department bearing the same name approximately 100 km north of Tegucigalpa and has a population of approximately 40,000 people. A large number of cases of verneral diseases and several cases of AIDS have been detected in Comayagua among prostitutes who maintain relations with the American troops.

"The U.S. troops that are here on a permanent basis, and those participating in the maneuvers are under the jurisdiction of Honduran law, which will be applied in addition to other control measures if the abnormalities reported are proven," Azcona told reporters.

The president added that health measures have already been implemented with the cooperation of U.S. diplomatic authorities and military doctors.

NICARAGUA

REPORTAGE ON REACTION TO REAGAN SPEECH

Ortega Comments

PA171449 Managua Radio Sandino in Spanish 1214 GMT 17 Mar 86

[Text] Reagan must be out of his mind by declaring himself a contra, Presient Daniel Ortega has said in Stockholm. At a press conference, the president said in commenting the recent developments in Central America that Reagan's political position is immoral and worrisome.

Although there is international opposition to U.S. policy in Central America, Reagan insists in his position and calls himself a contra, Ortega Saavedra stressed. It seems as if he has lost his senses, and this is dangerous, because the United States is a world and atomic power, he said.

The Nicaraguan president harshly criticized the contacts made by Philip Habib, the U.S. envoy to Central America, and the stance adopted by Salvadoran President Jose Napoleon Duarte. Duarte is just a puppet manipulated by Reagan, Ortega said.

The U.S. Government and Reagan are bent on destroying the revolution, and hence they have ordered Duarte to write a letter in which he conditions his talks with the Salvadoran revolutionary forces to Nicaragua's dialogue with the contras, he said.

Ortega added that Habib's mission in Central America was to pressure the governments into supporting Duarte's proposal.

President Ortega said that Nicaragua will ask neighboring countries to support the recent agreement signed in Punta del Este, Uruguay, which calls for an inter-American force to guard the Nicaraguan-Costa Rican border in order to prevent armed clashes. A similar proposal will be made to the Honduran Government.

Says Palma Death Benefits Reagan

PA171950 Managua Sistema Sandinista Television Network in Spanish 0203 GMT 17 Mar 86

[Text] President Daniel Ortega Saavedra reiterated today in Stockholm his government's willingness to meet with U.S. President Ronald Reagan and find solutions to improve relations with neighboring countries.

Ortega, who is attending the funeral service of assassinated Swedish Prime Minister Olof Palme, has had a busy agenda during which he met with presidents and high-ranking government officials who attended Palme's funeral.

In an interview, President Ortega said that Palme was one of the men who, at the international level, opposed Reagan's policy on Central America, and he pointed out that one of the few who benefit from Palme's assassination is President Reagan.

President Ortega criticized the harsh U.S. policy against Nicaragua and said that President Reagan's description of himself as a contra is worrisome. He gives the impression that he has gone out of his mind, Ortega said.

Radio Sandino Reaction

PA171426 Managua Radio Sandino in Spanish 1235 GMT 17 Mar 86

[Text] U.S. President Ronald Reagan once again resorted to calumnies and obscurantism during his televised speech last night concerning Nicaragua. According to international dispatches from Washington, Reagan brandished the threat of a communist takeover of Central America if the U.S. Congress does not approve his request for military aid for the Somozist mercenaries.

Short of 12 to 18 critical votes in the House of Representatives for the approval of this proposal next Wednesday or Thursday, Reagan urged the U.S. public to contact their representatives and convince them that they should deny an alleged beachhead to the USSR on the American continent.

In addition, Reagan boldly lied, stating that the Sandinist government dispersed protest meetings with raids, violent mobs, and submachine guns, and that Catholics were beaten on the streets after attending religious services, although he did not specify the date, hour, or place of the alleged actions.

After regretting that President John Kennedy tragically did not have an opportunity to adopt a decision to deter communism in Cuba, Reagan added that the worst tragedy today would be to remain inactive and permit this cancer -- not the one he has on his conscience -- to expand, leaving his successor with the need to adopt more hurtful measures in the next few years. He was undoubtedly hinting at an eventual need to invade Nicaragua.

In this manner, the White House tenant exerted pressure over the U.S. Congress, alarming the legislators and U.S. society with the same argument about communism he used on the eve of his invasion of Grenada.

Meanwhile, U.S. Senator Jim Sasser said that President Reagan has adopted military actions against Nicaragua without really trying to adopt a peaceful solution. He said so in replying on behalf of the Democratic Party to Ronald Reagan's speech urging the U.S. Congress to renew the military and lethal aid for the Somozist mercenaries.

In a statement broadcast live on television following the presidential speech, Sasser said that President Reagan is requesting $100 million to expand an undeclared war in Nicaragua before trying to reach a negotiated solution. Regarding the atrocities that Reagan gratuitously attributed to the Nicaraguan Government, Sasser said that they are dim compared to the ones perpetrated by the Somozist mercenaries who are being tragically subsidized by the U.S. taxpayers. If President Reagan's objective is to overthrow the Sandinists in the military field, he should come forward and say it, because this objective cannot be achieved without direct U.S. intervention in a long and bloody war, he added. Sasser urged President Reagan not to fall into that quagmire, stressing that what Reagan is really proposing is expanding the war in Nicaragua, and he urged him to implement a policy in that Central Ameican country the United States will not have to be ashamed of.

From another quarter, the Nicaraguan Government issued a call to the United States to adopt a serious and responsible policy in Central America, in response to President Ronald Reagan's speech in which he stressed the need to help the Somozist mercenaries.

In a communique published by the Nicaraguan Embassy in Washington, the Sandinist government noted that a serious and responsible policy is urgently needed, and should not be replaced by incendiary rhetoric based on false information and totally distorted facts. Contrary to Reagan's assertion, the communique added, more aid for the counterrevolutionaries -- whether described as military or humanitarian -- is imcompatible with the Contadora Group efforts, aimed at trying to prevent war by promoting peace through dialogue and negotiation. The Nicaraguan authorities added: Presenting this in a different way is trying to deceive the U.S. Congress and the U.S. public, misleading them into supporting a polciy of gradual military participation of U.S. troops in Nicaragua and declaring a bloody regional war in Central America.
For his part, Nicaraguan President Daniel Ortega reaffirmed his government's willingness to meet with U.S. President Ronald Reagan and to seek solutions to improve its relations with its neighboring countries.

Ortega, who attended funeral services for the assassinated Swedish Prime Minister Olof Palme in Stockholm, described his U.S. counterpart as the leader of the counterrevolutionary organizations trying to overthrow the Sandinist government.

On various occasions, the Nicaraguan Government has stressed that at no time will it hold talks with the contras based in Honduras and Costa Rica, because these groups are considered a U.S. creation.

Labor Leader Cited

PA171929 Managua Radio Noticias in Spanish 1254 GMT 17 Mar 86

[Text] President Reagan delivered a speech in support of the $100 million for the contras. Among the main points, Reagan said that there is a growing threat to U.S. security. He said that Nicaragua threatens U.S. security, that Nicaragua is a Soviet ally, that it receives more than $1 billion in aid from the Soviet bloc to destabilize Central America as well as some South American countries, that in Nicaragua there are thousands of Cuban advisers and contingents of Soviets, East Germans, the PLO, and Red Brigades, and that Al-Qadhdhafi is happy about this.

He said that U.S. troops are not needed because the democratic resistance, in other words, the anti-Sandinists fighting in Nicaragua, are only asking for supplies and support to save their country from communism. He said that the first target of the Nicaraguans is their neighbors as well as some South American countries. He mentioned that the government supports the guerrillas of Colombia, Ecuador, Chile, Argentina, Uruguay, the Dominican Republic, and Brazil. The alleged support to other guerrillas has been [word indistinct]. He said that the Nicaraguan Army is the biggest with (?120,000) men [words indistinct] and that it is a real threat. He said the independent newspapers are closed, that there is no independent labor movement, that the Catholic Church was [word indistinct], that the priests have been expelled, and a number of other things.

We spoke with labor leader Carlos Salgado (?and several others), and he said that [words indistinct] that the independent movement has not been restricted and that only yesterday they held an enormous demonstration with thousands of representatives of the union movement with regard to the 1 May preparations. On their part, [two names indistinct] said that all of this could be part of a destabilization and disinformation campaign so that Reagan will obtain the $100 million and so that he will obtain opinions against the Sandinist government here in Nicaragua in order to support his campaign.

TANA Issues Communique

PA180235 Managua International Service in Spanish 2231 GMT 17 Mar 86

[Text] The Anti-Imperialist Tribunal of our America, TANA, criticized the base language used by President Ronald Reagan to try to justify the millionaire [millonario] petition he has submitted to Congress to continue financing the Somozist mercenary bands. The following is TANA's communique as read by its Executive Secretary Freddy Balzan:

[Begin recording] First, the Anti-Imperialist Tribunal of our America categorically rejects the base language used by the President of the United States to try to justify his policy of state terrorism against Nicaragua. Evidently, this policy of the Reagan administration has been unfavorable to the administration. All of Latin America not only views this attitude with surprise and indignation; at the same time it increases its solidarity with Nicaragua. This is happening when U.S. imperialism has practically decided to proceed with its aggression against Nicaragua.

The Reagan administration is trying to justify its immoral policy by any means in its appeal to Congress for the $100 million. The U.S. Government is also trying to undermine the revolutionary government, a goal it will not achieve, as was recently confirmed by Peruvian President Alan Garcia's support to Nicaragua. [end recording]

Reagan Policy 'Interventionist'

PA181440 Managua Radio Sandino in Spanish 1320 GMT 18 Mar 86

["Beyond the News Reports" feature by Eligio Alvarez Montalban: "What Is the New Reagan Doctrine?"]

[Text] President Ronald Reagan reportedly announced in Washington on Saturday the implementation of a new foreign policy regarding Third World countries. It is a policy that has begun to be known in the United States as the Reagan doctrine.

According to the U.S. President, this new policy is allegedly aimed at fighting all dictatorships, whether rightist or leftist, and at establishing representative and democratic governments. This means that he is abandoning the so-called Kirkpatrick doctrine, which advocated the tolerance of autocratic Latin American governments friendly to the United States.

What then is the meaning of the emergency of this doctrine at a time when Washington is willing to overthrow the Sandinist government of Nicaragua through the aid to the Somozist contras?

To many observers and foreign policy analysts this is due to the fact that the cases of Haiti and the Philippines, where Washington was able to oust the dictatorships of those countries without endangering his status and almost without bloodshed, have encouraged Reagan to try to do the same in other nations that he considers totalitarian, such as Chile and Nicaragua.

According to the same observers, it seems that the experienced diplomat Philip Habib, his special envoy in Central America, has advised Reagan to adopt this new policy to show the world's public the democratic nature of the Reagan administration and its intention to establish constitutional governments, especially in Central America, using diplomatic, political, and military pressure for this as was done in Haiti and the Philippines and as is being done in Nicaragua now.

According to observers, in this way Washington's charges against Pinochet's dictatorial regime in Chile and Reagan's criticism of it would serve to justify the political and military aggressions against Nicaragua and thus pave the way to subsequently overthrowing its regime.

As one can see, the announced Reagan doctrine, instead of intending to rectify the situation, appears at a time when Reagan is desperately seeking to convince the U.S. Congress and his country's people of the urgent need to give $100 million to the Somozist Contras and the need to support the mercenary bands that are trying to overthrow the Governments of Afghanistan, Cambodia and Angola.

But, as the observers noted, the new Reagan doctrine is nothing but a new version of the interventionist policy of Washington which, under the pretext of fighting rightist and leftist dictatorships, seeks to establish other dictatorships that are unconditional friends of U.S. imperialism.

UN REPRESENTATIVE DISCUSSES REAGAN'S POLICY

PA142148 Managua Radio Sandino in Spanish 1930 GMT 12 Mar 86

[Text] Nora Astorga, Nicaraguan permanent representative to the United Nations, said at the United Nations that Ronald Reagan's renewed political aggressiveness in favor of military aid to the Nicaraguan counterrevolution is opposed to the wishes of Latin America.

The new Nicaraguan representative to the United Nations said during a press conference that the U.S. Congress debate on the aid requested by Reagan to support the counterrevolutionaries is of great importance for Central America, Latin America, and also for the United States. Astorga said that the problem is whether to use force to subdue the political will of the Latin American countries or to try to reach a negotiated solution promoted by Latin America.

CUBAN MIXED COMMISSION CONCLUDES WORK SESSION

PA150321 Managua Domestic Service in Spanish 0300 GMT 13 Mar 86

[Text] The work sessions of the Mixed Commission for Technical-Scientific and Economic Cooperation between Nicaragua and Cuba concluded today. During the farewell event, Commander of the Revolution Henry Ruiz talked with the press about the economic plan for 1986 and the role that the workers in the production and services sectors must fulfill. Speaking about the behavior of some workers who affect the work of the state in the revolution, Commander Ruiz said:

[Begin recording] However, what is most dangerous is that we have developed a consumer and squandering mentality. We have cadres here who when told there is a job to be done first ask: Where is the car? You call on a superior cadre to operate an enterprise, and the first thing he asks is: Where's the car, how much does it pay, and how much is the expense account going to be? That is the mentality we must struggle against. The FSLN has tried and continues to try to change this mentality. This year even the party's budget is very tight. The revolutionary state as a whole has cut the budget, despite the high inflation we are experiencing, in an attempt to get ministers, and those responsible for certain areas to handle the funds they receive more efficiently.

We have had some political fears. For example, what happens when we reduce the national budget by 25 percent? Unemployment. How can we resolve the problem of unemployment? The other issue is that cadres believe the state can continue to create job sources indefinitely. That is a national (?defense) problem. This country does not have the money to support such a large state. The plan includes measures to protect against the compression [compactacion] of the state. [end recording]

Agreement Outlined

PA150240 Managua Radio Sandino in Spanish 1930 GMT 12 Mar 86

[Text] Ernesto Melendez, first vice president of the Cuban State Committee for Economic Cooperation, has said Cuba will increase its cooperation with Nicaragua this year and next. Melendez said that last year's results of Cuba's cooperation were highly positive.

He said that his country's policy is to fully support those fields requested by the Nicaraguan Government. Here is what he said just before returning to his country:

[Begin recording] [Melendez] The 1985 cooperation program was satisfactory. It was a broad program that consisted of cooperation in Nicaraguan revolutionary government development programs in several basic sectors such as public health. We cooperated by supplying brigades of doctors who served in different parts of the country. Education is another field in which we cooperated by supplying scholarships, teachers, and professors for secondary and higher education. We also participated in programs for economic and social development. I definitely believe that 1985 showed positive results.

[Unidentified reporter] What are the requirements for the 1986 agreement?

[Melendez] We are going to maintain the same measures. We will continue our cooperation in all of the fields in which we participated in 1985. Our presence here is to support the Nicaraguan revolutionary government's programs. We are cooperating by providing advisers, technology, and experience. In our cooperation no side is trying to impose on the other. We are going to try to increase our cooperation for this year and the next. However, this depends on what the Nicaraguan Government wants. We feel that this is the moment, as I said yesterday when we were signing the agreement, to increase our cooperation and make it more efficient in view of the imperialist pressures against Nicaragua such as the $100 million in aid for the counterrevolution, the trade embargo, the suppression of technological exchange, and trade barriers. [end recording]

GOVERNMENT, EPS HONOR CUBA'S ARNALDO OCHOA

PA150038 Managua BARRICADA in Spanish 12 Mar 86 p 8

[Communique No 53 issued by the Defense Ministry's Public and Foreign Relations Directorate in Managua, dated 10 March]

[Text] The Defense Ministry reports that: 1. A ceremony was held on Saturday, 8 March at the "Carlos Aguero" School in recognition of the work performed by Division General Arnaldo Ochoa, member of the FAR, as head of the group of Cuban Military experts in our country. The ceremony was presided over by Acting President Sergio Ramirez and Commander of the Revolution Humberto Ortega, defense minister, both of whom honored Gen Ochoa with distinctions and decorations on behalf of the government and the EPS. Commander of the Revolution Luis Carrion Cruz, acting interior minister, was also present.

2. Div Gen Ochoa departed for Cuba on Sunday 9, March. He was replaced by Brigadier General Nestor Lopez Cuba.

Managua, 10 March 1986, Defense Ministry Public and Foreign Relations Directorate

COSTA RICAN AMBASSADOR PRESENTS CREDENTIALS

PA141458 Managua Radio Sandino in Spanish 1200 GMT 14 Mar 86

[Text] Oscar Castro, the new Costa Rican ambassador to Nicaragua, presented his credentials yesterday to President Daniel Ortega Saavedra at a ceremony at the Cesar Augusto Silva Conventions Center.

The top Nicaraguan leader stressed that the reestablishment of relations at the embassy level is a very positive step in favor of the efforts that have been made to stabilize relations between the two countries. Upon receiving Castro's credentials, President Ortega said that the Nicaraguan Government and people will overcome every obstacle and face every provocation to strengthen ties between the two countries. President Ortega said the second meeting of the control and supervision commission is a very important step toward avoiding border incidents between the two countries.

Meanwhile, Ambassador Castro told Commander Ortega Saavedra that although their countries are of different political alignments, they are brothers linked geographically and historically. Castro also admitted that the establishment of the border vigilance commission is a very important step toward achieving peace.

FDN ON 'INCREASED' MILITARY OPERATIONS IN NORTH

PA160434 Panama City ACAN in Spanish 2157 GMT 14 Mar 86

[By Armando Cerrato]

[Text] Tegucigalpa, 14 Mar (ACAN-EFE) -- The anti-Sandinist Nicaragua Democratic Force [FDN] reported today in Tegucigalpa that it has increased its military operations in northern Nicaragua. Frank Arana, official FDN spokesman in Honduras, said that armed clashes with the Sandinists have increased "in the past few days, despite the fact that we do not have many military supplies and that the bulk of our forces are inactive in the mountains of Nicaragua."

In an exclusive interview with ACAN-EFE, Arana said that there have been clashes in the Departments of Nueva Segovia, Jinotega, Boaco, Chontales and Zelaya, where FDN commands have been constantly harassed by numerous Sandinist forces. Arana added that there were 36 armed clashes in February in which the Sandinists sustained 364 casualties, of which 166 were fatal. "We have been attacked several times by MI-24 helicopters, attacks that have been devastating to our forces, who did not even have bullets for their AK-47's to defend themselves," said Arana. The FDN spokesman said that some of the SAM-7 rockets the rebels were planning to use to stop the MI-24 attacks did not work, "probably because they are too old or because the hunidity or other inconveniences of the struggle in jungle have affected their electronic parts."

"We are fighting out of sheer courage, sometimes getting what we need from the enemy troops. However, when our forces ambush the enemy their objective is to destroy rather than to replenish their stock from what they can seize from the enemy," Arana explained. Among the combats that have taken place during the past few days in northern Nicaragua, Arana particularly mentions "an ambush carried out on 11 March against two armored units in Puertas Nuevas, Nueva Segovia, in which the enemy lost 18 men." He also referred to the occupation of a sector of the highway between Jalapa and San Nicolas where on 12 March FDN units destroyed two other vehicles, killing 18 individuals, among them Lieutenant Lorenzo Cortes Estrada. This action also took place in Nueva Segovia. "We expect to increase our military operations in the next few days with the units that still have sufficient ammunition to fight," Arana said. The FDN spokesman added that "our situation in Nicaragua is very difficult, and we are surviving thanks to the generosity of the peasants who are supporting us." In conclusion, he said that unless we receive the right amount of international aid immediately, "our situation is going to be much more difficult becasue we have approximately 20,000 fighters who are facing serious logistic problems and whose ammunition supplies are barely one-third of what they should be."

'DANGEROUS TONE' ALLEGED IN REAGAN CONTRA SPEECH

FL171348 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Mar 86

[Text] Washington -- U.S. President Ronald Reagan has launched a furious and warlike attack on the Nicaraguan Government, which he described as a mortal threat to the entire world, in a speech televised to the entire country, the object of wich was to persuade citizens to pressure their congressmen to approve new military assistance totaling $100 million for the anti-Sandinist counterrevolution.

Last night Reagan made the most wandering and vile statements against a constitutional government, without presenting any proof in support. Among the false statements he made, the U.S. leader said: Warsaw Pact engineers are constructing in Nicaragua a Soviet submarine base and the largest air base in Central America. Using a map, Reagan said that the Nicaraguans have supplied arms to groups in Honduras, Costa Rica, El Salvador, and Guatemala and have assisted extremists in Colombia, Ecuador, Brazil, Chile, Argentina, Uruguay, and the Dominican Republic. But the most spectacular act was when he put in the Sandinists' mouths the sentence: "The road to victory passes through Mexico."

The dangerous tone of the speech was marked by Reagan last night when he expressed disappointment that former President Kennedy was not able to arrest communism in Cuba. He said: The greatest tragedy would be to actively maintain now and permit the Nicaraguan cancer to spread, forcing my successor to make more difficult decisions in the future.

Aid 'Intolerable Interference'

FL171634 Havana Radio Reloj Network in Spanish 1421 GMT 17 Mar 86

[By Andres Rodriguez]

[Text] U.S. President Ronald Wilson Reagan made a televised speech yesterday against Nicaragua. From our point of view, the result of his long-winded speech is that he is continuing his campaign in favor of aid for the Nicaraguan counterrevolutionaries in rhetoric whose main thread is invariably that U.S. security is threatened by Nicaragua. It is worth remembering that the White House's principle inclination has been demonstrated during its long, virulent campaign for congressional approval of aid to the Nicaraguan mercenary groups.

Since his request for aid to the Nicaraguan counterrevolution on 25 February, Reagan has said that the request is a high priority for U.S. security. Since then, this has been his main argument in addressing the public, saying that communism has taken root in Nicaragua, which makes that country, situated at the threshold of North America, a threat to U.S. security. With this argument he is trying to manipulate the prejudices and rigid ideas that have permeated a significant segment of the U.S. public and Congress so that aid can be approved, which, from the point of view of international law, is intolerable interference in Nicaragua's domestic affairs.

Sasser Speech Noted

PA171710 Havana International Service in Spanish 1600 GMT 17 Mar 86

[Text] U.S. President Ronald Reagan has launched a furious attack on the Nicaraguan Government, which he called a mortal menace to the entire world.

In a nationwide televised speech last night, the objective of which was to persuade public opinion to pressure Congress to approve $100 million in aid for the Somozist gangs, Reagan accused Nicaragua of supplying arms to groups in Guatemala, El Salvador, Honduras, and Costa Rica and contributing to subversion on the rest of the continent.

Replying to the presidential address on behalf of the Democratic Party, Senator James Sasser said that Ronald Reagan is adopting military optionsin Nicaragua without having exhausted peaceful paths to resolve the conflict. Sasser said that his party rejects the characterization of the counterrevolutionary fighters as freedom fighters and affirmed that most of the members of these gangs fought against freedom as members of the hated Somozist regime security forces.

Meanwhile, the weekly NEWSWEEK pointed out inits latest issue that in the event that Congress approves this aid, the United States would send some 50 military advisers to the Nicaraguan counterrevolutionary gangs.

U.S. ENVOY HABIB COMPLETES TOUR OF AREA

PA172357 Havana International Service in Spanish 1600 GMT 15 Mar 86

[Text] With his visit to Costa Rica, Philip Habib, U.S. special envoy for Central America, has ended his first tour of the region seeking support for Washington's request to finance the Nicaraguan counterrevolutionaries. Ina brief meeting with local and foreign reporters in San Jose, Habib reiterated that the U.S. Government conditions any dialogue with Nicaragua to the start of negotiations between Managua authorities and the counterrevolutionary bands attacking the Nicaraguan people.

Coinciding with Habib's visit, Costa Rican Foreign Minister Carlos Jose Gutierrez has said that his government does not view the recent border agreement with Nicaragua as binding.

In his tour Habib also visited El Salvador, Honduras, and Guatemala, where he met with the presidents of those countries, describing the talks as friendly.

Visit Seen as 'Pressure'

PA171238 Havana International Service in Spanish 0000 GMT 14 Mar 86

[Commentary by Norberto Hernandez]

[Text] While the U.S. President waits for the results of his efforts to secure from U.S. Congress more aid for counterrevolutionary bands, he is intensifying the pressure on various Central American governments to obtain support for his demands. The fact that this policy is being reaffirmed was made evident this Wednesday withthe visit of Philip Habib, the new personal representative of the U.S. President for Central America, to four countries of the region.

At the government palace of San Salvador, the first stop on his tour, Habib told reporters that if the Nicaraguan Government were to talk with the mercenaries the United States would renew its bilateral talks with Managua. The maneuver is clear. The U.S. President has sent his representative to the Central American area in an effort to quiet the wave of criticism against his request for $100 million, a request leading to a growing militarization of the conflict.

Referring to Habib's tour, Nicaraguan President Daniel Ortega said that the visit is nothing but a means of complementing President Reagan's terrorist policy against Nicaragua. Explaining this opinion, Daniel Ortega said that by sending Habib to Central America, the U.S. President is trying to make international public opinion believe that he is interested in a negotiated solution.

On more than one occasion the Sandinist government has said that it will not negotiate with the terrorist bands and that it will not talk with the U.S. Government either so long as it persists in giving military aid to the counterrevolutionaries.

In his statements of Wednesday on the occasion of the visit to Managua by Guatemalan Vice President Roberto Carpio, the Nicaraguan president said that the $100-million request is immoral, antijuridical, and illegal.

The U.S. special envoy is aware of Nicaragua's firm position. For this reason he has gone to the area to seek the unconditional support of El Salvador, Honduras, Guatemala, and Costa Rica, but especially of the two latter countries, which have lately adopted constructive positions.

GUANTANAMO BASE MODERNIZATION 'PROVOCATION'

PA130412 Havana International Service in Spanish 2300 GMT 12 Mar 86

[Station commentary]

[Text] The Reagan administration has asked for $2.6 million to modernize the naval base it maintains illegally in the Cuban territory of Guantanamo. This amount is included in the voluminous budget the White House is asking for next year, consisting of $1.2 billion for military installations abroad. The plans to modernize Guantanamo's naval base are definitely an act of provocation aginst Cuba, because our people reject the usurpation of a piece of their territory by U.S. troops and demands the unconditional withdrawal from the enclave. This demand has the support of the Nonaligned Countries Movement and all the progressive forces in the world.

Guantanamo's naval station is the product of Washington's insatiable depredation policy. Its construction was imposed on our country as part of the heinous Platt Amendment, a shameful clause inserted in our first republican constitution, approved in the midst of the Yankee occupation.

The victory of the Cubans over the Spanish colonial army was curtailed by the Spanish-American War, the first imperialist conflict, as Lewis termed it. The U.S. forces which occupied the country established a Yankee military government and managed to interfere with our birth as a free and independent state. The nefarious presence of the Guantanamo naval station, established by an agreement signed with the authorities of the time, is the stark legacy of the alleged benefits meant for Cuba by being associated with the northern metropolis.

Since January 1959 Guatanamo's naval station has been a starting point of the most diverse provocations against the Cuban people. The Yankee soldiers stationed there have not only offended us, they have even killed several Cuban watchmen. However, Cuba has never given up its principles, and it has managed to overlook these provocations aimed at causing a conflict to be used as a pretext for military actions against our country.

The U.S. Government's recent decision to reinforce Guantanamo's naval station is no doubt part of the policy of hatred promoted by Ronald Reagan against the Central American and Caribbean countries and which is bound to be a total failure. The Cuban people reject such blackmail; they do not surrender to any type of pressure, and they reiterate their patriotic and internationalist will and their determination to defend the revolution to the end. No matter how much it invests in Guantanamo's naval station, imperialism will never subdue the fighting and victorious spirit of Marti's fatherland.

RODRIGUEZ MEETS FORMER VENEZUELAN PRESIDENT

FL150354 Havana Radio Reloj Network in Spanish 0317 GMT 15 Mar 86

[Text] Politburo Member Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, met today in Stockholm with former Venezuelan President Carlos Andres Perez, vice president of the Socialist International. Rafael Rodriguez is heading the official Cuban delegation to the funeral of late Swedish Prime Minister Olof Palme. The funeral will be held tomorrow in Stockholm.

In a frateranl atmosphere, the two leaders analyzed Latin American problems, especially the situation in Central America. The two leaders also discussed matters related to the foreign debt and stressed the urgent need to solve that pressing problem.

BRIEFS

AMBASSADOR TO ETHIOPIA APPOINTED -- The Council of State has appointed Comrade Antonio Perez Herrero ambassador extraordinare and plenipotentiary to Ethiopia. Comrade Perez Herrero is a Central Committee member and member of the National Assembly of the People's Government. [Text] [Havana Radio Progreso Network in Spanish 1100 GMT 17 Mar 86 FL]

CARICOM TO STUDY CBI, TCF AT JULY SUMMIT

FL161735 Bridgetown CANA in English 2324 GMT 15 Mar 86

[By Rickey Singh]

[Text] Georgetown, Guyana, March 15, CANA -- If all goes well, next July's Caribbean Community (Caricom) heads of government summit here will have before it important studies on Washington's two-year-old Caribbean Basin Initiative (CBI) and a proposed regional Trade Credit Facility (TCF). Both matters engaged the attention of the 1985 summit in Barbados last July, when the Caricom Secretariat was mandated to undertake a review of the CBI -- a U.S. trade and investment plan to help stimulate Caribbean and Central American economies -- second highest decision-making forum in the community -- is expected to be apprised of the status of both studies when it meets in Georgetown March 23-26. It was regional dissatisfaction with how the CBI has worked that triggered the study on the scheme.

Before the CBI came on steam in January 1984 under the Caribbean Basin Economic Recovery Act of August 1983, a high-level technical group of regional experts headed by Trinidadian economist Frank Rampersad had prepared the Caribbean's position on what was originally conceived in 1982 to be a multi-donor, three-pronged programme of aid, trade and investment.

Mexico, Canada, and Venezuela were, in accordance with the spirit of a meeting in Nassau, Bahamas, between the foreign ministers of these countries and then U.S. Secretary of State Alexander Haig, to have been involved with the United States in a multi-lateral effort to implement a so-called mini-Marshall plan to assist in providing the required infrastructure and in stimulating increased investment and production in the Caribbean.

In addition to all Caricom member states, it was envisaged that countries like Haiti, Dominican Republic, and Suriname would also have been part of the proposed scheme for multi-donor development financing. The Rampersad committee came up with initial proposals calling for U.S. 580 million dollars in emergency aid in 1982 and around U.S. 4.7 billion dollars over the period 1982-86.

The original Caribbean position on the CBI had noted that many of the region's governments were now unable to meet their current expenditures out of current revenues and have large balance of payments deficits...

When U.S. President Ronald Reagan finally made known the specific proposals of his CBI, however, the scheme fundamentally differed from what the Rampersad committee had in mind, with its character being that of a unilateral programme as proposed by the United States for the Caribbean. Essentially, the CBI, as announced in 1982, came up with an aid package of U.S. 350 million dollars in supplementary appropriation for some 21 designated countries, excluded left wing Guyana, Grenada (then under the Marxist Maurice Bishop government), Cuba, and Nicaragua, offered proposals for new investments, and had, as its centrepiece, a one-way duty-free access to the U.S. market for 12 years.

As Caribbean governments and the region's business community came to realise when the CBI's recovery act was implemented, the estimated 13 per cent of products from the Caribbean not already enjoying duty-free access to the U.S. market, represented those commodities that in fact traditionally constituted the bulk of regional exports to the United States. They include textiles and apparel articles that alone represented about half of the 13 per cent of products not entitled to duty-free access.

Also excluded from duty-free access were footwear, handbags, luggage, tuna, petroleum products, watches and watch parts, white sugar, a vital export from the region, was subjected to the vagaries of a global quota system. Growing disenchantment with the benefits from the CBI eventually led Caricom governments to seek the review.

Subsequently, the Canadian Government was to announce its own version of the CBI for the region. To be known as Caribcan, its details are still to be ironed out with beneficiary countries. Last month, while nine Caricom heads of government discussed with President Reagan in Grenada U.S.-Caribbean economic relations, with particular emphasis on the operations of the CBI, the Caricom Secretariat was in touch with regional experts who will be involved in the mandated review of the CBI.

The core of the technical group undertaking the review will be drawn from the members of the first group that had prepared the original Caribbean position on the CBI, according to Caricom Secretary General Roderick Rainford.

In a document that was prepared for the sixth Caricom summit and advocating a review of the CBI, it was noted that the CBI is a 12-year arrangement and so maximum benefit depends critically on early modifications of, or adjustment to, any element which might require such modification or adjustment. Such elements can be identified only on the basis of a rigorous analysis of performance of the arrangements; of the areas omitted from the arrangement and of the current circumstances of the beneficiary countries...

According to U.S. statistics, imports into the U.S.A. from CBI countries grew by six per cent in the first year (1984) of the CBI. But by 1985, there was a sharp drop, approximately twenty (20) per cent, in overall imports from the region, although non-traditional items grew by five per cent. In contrast to the level of aid originally envisaged by the Caribbean's technical group in 1982, U.S. economic assistance has been averaging between US350-438 million dollars, with the major beneficiaries being the Dominican Republic, Haiti, and Jamaica.

U.S. economic assistance to the entire eastern Caribbean, including Barbados, totalled U.S. 113.2 million dollars in 1984 (much of it to Grenada), and has since dropped to approximately U.S. 59 million dollars for 1985 and U.S. 54.7 million dollars for 1986. Allocations for Jamaica were: U.S. 108 million dollars for 1984, 154.5 million dollars for 1985, and 109.9 million dollars for 1986.

The Secretariat's work to complete proposals for the creation of a Trade Credit Facility is taking place against the background of the collapse of the Caribbean Multilateral Clearing Facility (CMCF), a trade repayment mechanism that was effectively wrecked by 1983 by Guyana's heavy borrowings.

The proposed TCF, however, will be significantly different fromthe CMCF, according to what's now being put together by the experts for, first, the consideration of Caricom finance ministers by May, and finally for the summit.

The TCF, for example, unlike the U.S. 100 million dollar CMCF, is expected to have a legal status, with participating governments as shareholders and with operational funding being sought from international agencies. Credits would be made available largely to boost extra-regional exports and to make such exports internationally competitive.

While the CMCR operated through the region's central banks the TCF is expected to be operated out of the Barbados-based Caribbean Development Bank (CDB), which was involved in the formulation of the original draft, first circulated to Caricom governments in February 1985.

ANTIGUA-BARBUDA

BIRD ON NEED FOR INCREASED U.S. ECONOMIC AID

FL171530 Bridgetown CANA in English 2151 GMT 16 Mar 86

[Text] St Johns, Antigua, March 16, CANA -- Antigua and Barbuda has put forward a strong case to the United States Government for increased economic assistance, according to Deputy Prime Minister Lester Bird. Bird, just back from economic and trade talks in Washington, said his delegation complained about the level of official development assistance which the country is receiving from the United States.

Bird said that in its discussions with top U.S. Government officials the delegation, which included Minister Without Portfolio Hugh Marshall and Ambassador Edmund Lake, explained that some procedures were unnecessarily complex and therefore hurtful to the twin-island state. We emphasised that we will be unable to make effective use of the opportunities for accessing the U.S. market with exports under the Caribbean Basin Initiative (CBI) unless we were provided with real assistance to build up infrastructure -- such as factory shells, roads, telephone expansion -- necessary for attracting new private sector investment, bird said. He said they pointed out that in 1986 government has produced a budget which is almost balanced -- projecting a deficit of only just over 600,000 -- but have introduced measures to increase revenue and to curtail spending. However, Bird said his delegation stressed that the government will not be pressured by anyone to dismiss existing employees in the public sector.

Bird, who is also the country's foreign affairs minister, said they also drew attention to the fact that throughout the last eight years, we have experienced annual real growth in the economy, whereas in both developing and developed countries there has been recession and retardation of growth. The rising tourism figures as well as increasing tourism spending in the country have constituted the engine of this growth, Bird said.

He said too that it was agreed that a team from the United States Agency for International Development (USAID) should visit Antigua in early April to continue the talks with the government.

At the political level, Bird said he is convinced that the visit was worthwhile simply because we were able to sensitise important and influential senators and congressmen to some of the real problems being experienced with the delivery of U.S. assistance. These figures, he said, are now able to monitor the process for themselves and can ensure that decisions which they take at the political level are implemented at the technical and official levels.

GRENADA

BLAIZE ON NEEDED AID TO COVER BUDGET SHORTFALL

FL161715 Bridgetown CANA in English 2135 GMT 15 Mar 86

[Text] St Georges, Grenada, March 15, CANA -- Grenada is banking on foreign aid, mainly from the United States, to account for the EC18 million dollar shortfall in this year's recurrent budget of EC126 million dollars, Prime Minister Herbert Blaize has said.

As to the amount (from the U.S.), it is not yet settled but we exepect other countries to help (with the budget deficit), Blaize, who is also minister of finance, told reporters. The government has budgeted for EC108 million dollars in recurrent revenue in this financial year.

The 1986 budget of EC236.4 million dollars envisages capital spending of EC110.4 million dollars. The United States Agency for International Development (USAID) provided most of the EC27 million dollars deficit in last year's Grenada budget.

HAITI

GOVERNMENT TO HOLD ELECTIONS 'SOME TIME' IN 1987

FL171438 Bonaire Trans World Radio in English 1130 GMT 17 Mar 86

[Text] Haiti's new government says it will hold elections some time in 1987. Haiti's Government gave that assurance to a group of international labor leaders representing American, Canadian, and international trade unions. The group went to Haiti last week to meet labor officials and to report on living conditions in the country. A spokesman for the group said salaries, working conditions, and lifestyles in Haiti are among the most miserable in the world. He said the conditions are intolerable and must change. He also said that government, church, and labor leaders in Haiti have indicated they are satisfied with the unofficial timetable for elections.

JAMAICA

SEAGA ANNOUNCES FUNDING PROGRAM FOR EXPORTS

FL161720 Bridgetown CANA in English 2232 GMT 15 Mar 86

[Text] Kingston, Jamaica, March 15, CANA -- The Jamaica Government is developing a funding programme to help exporters here in their market analyses and product promotion strategies, particularly in the American market place, Prime Minister Edward Seaga announced. Seaga spoke of the scheme, labelled Jamexport, last night when he opened Expo 86, a biennial trade fair put on by the exporters and manufacturers associations. The prime minister did not flesh out how the programme would work, saying that would come at budget time, but disclosed that it was being developed in conjuction with the U.S. Agency for International Development (USAID). This facility will allow the export sector to finally begin to acquire the expertise and marketing intelligence that will break the last remaining barrier to the United States marketplace, Seaga declared. The programme would complement funds for technical assistance, an incentive grant scheme and pre and post shipment credit facilities set up recently to remove bottlenecks to export production.

The Seaga Government has been carrying through a major structural adjustment of the Jamaica economy, dismantling home market protection and other regulations in a bid to create export-led growth. The local dollar has also been sharply devalued to make Jamaican goods more price competitive. Despite the hurt caused domestically by some of the policies, the government has contended that Jamaica is becoming leaner and fitter and in better shape for international competition. The country is now geared for take offi, the government says. At Expo 86, 150 Jamaican companies have their services and products on display at Kingston's national arena, hoping to impress buyers from the Caribbean, Europe and North America who have come to the exhibition. In recent months the business sector, which had been sharply critical of Seaga's policies has been less strident, with entrepreneurs more confident of being able to spur production. The relative stability of the Jamaican dollar since last November following government's strong intervention to halt a rapid slide, has also helped to build confidence. At least you can plan will a little more certainty now, and despite the many shortcomings we still have to deal with we are hoping for better performances in the future, a senior official here said. [sentence as received] We are hoping that Expo 86 will be a sort of a showing of the way.

FBIS

DAILY REPORT

CONTENTS

Latin America

Vol VI No 053

19 March 1986

INTER-AMERICAN AFFAIRS

- Regional Countries Form Agricultural Front [EFE] A 1
- BCIE Governors Approve Law Allowing New Members [San Jose LA PRENSA LIBRE 10 Mar] A 1

ARGENTINA

- Government Investigates Nobistor Arms Cache B 1
  - Defense Ministry Communique B 2
- U.S., Soviet Answers to Group of Six Under Study [TIEMPO ARGENTINO 15 Mar] B 2
- Foreign Trade Secretary Begins Talks With EEC B 3
  - Caputo Discusses Agenda B 3
- Further Reportage on Alan Garcia Visit B 4
  - Debt Pact Sought With Mexico B 4
  - Garcia, CGT Discuss Debt B 4
  - Garcia Praises Che Guevara B 5
- Shipping Agreement Reached With Cuba B 5
- Polish Fishing Vessel Seized off Puerto Deseado B 5
- Foreign Ministry Reorganization Outlined B 6
- Government, CGT Positions on 25 Mar Strike Noted [BUENOS AIRES HERALD 11 Mar] B 6

BOLIVIA

- Congressmen Voice Opinions on IMF Agreement C 1

BRAZIL

- 'Displeasure' Expressed With Reagan Speech D 1
- Abreu Sodre Scores U.S. Policy Toward Nicaragua [O GLOBO 18 Mar] D 1
- PCB, Chinese Communist Party Resume Relations D 1
- 10 March Decree Amends Economic Changes [FOLHA DE SAO PAULO 12 Mar] D 2
- Government Stockpiles Emergency Food Supply D 10

CHILE

- Pinochet Comments on Donald Regan's Remarks E 1
  - Further Pinochet Response E 1
- Foreign Ministry Replies to UN Rights Report E 1
- EEC Urges Faster Democratization Process E 2
- Pinochet Visit to 8th Region Sets Off Protests E 3
  - Further on Demonstrations E 3

PARAGUAY

Finance Ministry Reports on Foreign Debt
[ULTIMA HORA 17 Mar] H 1
Briefs: Telecommunications Agreement With Japan H 1

PERU

Garcia Returns From Argentina 16 March J 1
Centromin Workers End Strike, Return to Mines J 1
Sugar Industry Delegation Returns From Cuba J 1

URUGUAY

Iglesias Discusses Nicaraguan Border Problems K 1
Nicaraguan Deputy on U.S. Support to Contras K 1

VENEZUELA

Guatemalan President Arrives for Official Visit L 1
    Proclaims Solidarity L 1
    Meets With Lusinchi L 1
    Views Reagan Contra Stand L 2

MEXICO

Energy Secretary Sets Oil Policy for OPEC Session M 1
Pemex Reports $10 Billion Surplus in 1985 M 1
De la Madrid Promotes New Export Program M 2
    Hernandez Gives Details M 2
President Urges 'Internal Reform' of PRI M 3
[THE NEWS 12 Mar]

PANAMA

Reportage on Labor Code Change, Strike, Violence N 1
    Plan To Suspend Rights Denied N 1
    [LA ESTRELLA DE PANAMA 18 Mar]
    President Approves Amendments N 1
    Arnulfo Arias Urges Protest N 1
    [LA PRENSA 18 Mar]
    Bomb Defused; Others Explode N 1
    [EL SIGLO 18 Mar]
    Noriega, Conato Leaders Meet N 2
    Conato Stages March N 2
    Situation 'Normalizing' N 3
Cabrera: No Request Received for Marcos Asylum N 3
Chilean Attempts Hijacking, Faces Extradition N 3

CENTRAL AMERICA

COSTA RICA

Anti-Sandinists Arrested on Northern Border P 1

EL SALVADOR

Immigration To Require Rebel Safe-Conduct P 1
Security Minister on Talks With Guerrillas P 2
FMLN Stoppage Reportedly 'Worst Failure' P 3
[EL MUNDO 17 Mar]
FDR-FMLN Communique on Duarte Dialogue Stand P 3
[Venceremos]
FMLN Denies Connection to Captured Bus P 4
[Venceremos]

GUATEMALA

Habib, Cerezo Discuss Regional Situation P 5
[EL GRAFICO 14 Mar]
Costa Rican President-Elect Arrives on Visit P 6
Gen Gramajo Says Guerrillas Losing Ground P 6
[EL GRAFICO 16 Mar]
URNG Guerrillas on Recent Military Actions P 7
[Venceremos]

HONDURAS

'Concern' Voiced on Possible Contra Aid Cutoff P 7
Montoya Discusses Area Problems, Nicaragua P 8
Editorial Views Government's 'Hypocrisy' P 9
[TIEMPO 10 Mar]
Lopez on Resignation, Contras, U.S. Presence P 11
Army Seizes Bus With Hidden Weapons P 12
[EL HERALDO 17 Mar]

NICARAGUA

Ortega Criticizes U.S. Debate on Contra Aid P 13
Returns From Sweden P 13
Ramirez Criticizes U.S. 'Mercenary War' P 13
Assembly Approves Letter to U.S. Congress P 14
[BARRICADA 12 Mar]
Tunnerman Sends Letter to U.S. Legislators P 16
Denies Reagan 'Assertions' P 16
Christians Begin Protest Fast at U.S. Embassy P 16
Ambassador to Mexico on U.S. Aid to Contras P 17
Ambassador to Peru Thanks Garcia for Statements P 17
Ambassador to Colombia Denies Ties With M-19 P 17
Ambassador to Libya on Solidarity, Trade P 18
EPS Troops Move North To Face Contra Attack P 18
[AFP]
BOS To Ask for 2-Month Freeze in Contra Aid P 19
[ACAN]

CUBA

Nonaligned Press Agency Delegates Meet in Havana Q 1
Innovators, Efficiency Experts Working in Angola Q 1
Commentary Rejects Baker Plan Campaign Q 2
Havana To Observe Defense Day 23 March Q 2

DOMINICAN REPUBLIC

Central Bank Says Economy Contracted in 1984-85 [LISTIN DIARIO 6 Mar] R 1
Imports Increase in 1985 [LISTIN DIARIO 5 Mar] R 2

CARIBBEAN

BARBADOS

Government Reports Trade Deficits With Caricom S 1

DOMINICA

Diplomatic Relations Established With Peru S 1

GRENADA

Bill Restricts Travel By Former Leaders S 2

HAITI

Exiled Communist Leader Theodore Returns S 2

JAMAICA

Kingston Hosts Law of Sea Commission Meeting S 2

REGIONAL COUNTRIES FORM AGRICULTURAL FRONT

PA180014 Madrid EFE in Spanish 2135 GMT 16 Mar 86

[Text] Mexico City, 16 Mar (EFE) -- Mexico, Panama, the Dominican Republic, and the Central American countries formed here today a common front to protect and strengthen their economies. The participants in a meeting of the "International Regional Committee of Agricultural and Livestock Health" [Comite International Regional de Sanidad Agropecuaria -- CIRSA] have agreed that to carry out this they must fight and control pests and deseases of agriculture and livestock which are decimating the production of food in the region.

Representatives from Mexico, Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua, Panama, and the Dominican Republic -- which joined CIRSA yesterday -- attended the meeting which ended today. The delegates stressed the need to coordinate actions and join resources to strengthen cooperation programs on plant and animal health that permit a substantial increase in the exportation of agricultural products. They also agreed that food production is one of the main priorities of the governments of these eight nations.

They highlighted the concern of meat exporting countries, because importing nations are constantly changing their regulations regarding the discovery of toxic waste and contaminants in beef products. The meeting concluded that it was indispensable, due to the closeness of the CIRSA member-countries, to reinforce veterinary services at the regional level and increase the exchange of technical and scientific information to solve the problems posed by animal diseases.

BCIE GOVERNORS APPROVE LAW ALLOWING NEW MEMBERS

PA182239 San Jose LA PRENSA LIBRE in Spanish 10 Mar 86 p 4

[Text] The governors of the Central American Bank of Economic Integration (BCIE), at their regular meeting in San Jose, approved the statutes of the Central American Economic and Social Development Fund. This law establishes conditions for countries outside Central America and organizations outside the region to join the bank.

This document sets forth the conditions which countries wishing to join as members must meet before becoming part of this Central American financial institution. The manner and the amounts in which they must make their economic contributions are also outlined.

Mexico and Argentina have expressed a desire to join the countries that make up the BCIE, and other countries such as Spain will also join soon.

Economy and Commerce Minister Odalier Villalobos said that approval of the statutes of the Central American Economic and Social Development Fund is beneficial in that it would provide the BCIE with resources estimated at $2 billion, while at present it has only approximately $400 million in resources.

The Central American countries will have to contribute $1.002 billion, while the new members will contribute resources of some $908 million. However, in order to join the BCIE, the new members must deposit 25 percent in cash; that is, $245 million of the total $908 million.

The inclusion of new members is of great importance for Central America, because it allows the BCIE to resume its role as a financial entity in the region and will provide it with the foreign exchange that it currently lacks because of the Central American countries' trade problems.

GOVERNMENT INVESTIGATES NOBISTOR ARMS CACHE

PY182126 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1513 GMT 18 Mar 86

[Text] Buenos Aires, 18 Mar (NA) -- Reliable sources have reported that the Defense Ministry and the relevant organizations today started an investigation to establish whether the ship flying the Panamanian flag that was intercepted in Brazilian waters with a cargo of weapons allegedly purchased in Argentina sailed from the port of Buenos Aires after complying with the necessary laws. The Defense Ministry has asked for reports from the River Police, the National Customs Administration, and from the health and migration organizations.

Armando Luis Parini, a deputy prefect of the River Police, this morning visited the Defense Ministry to report on his organization's actions in the dispatch of the ship, the Norbistor, which presumably departed from the port of Buenos Aires on 1 March. According to reports from Rio de Janeiro, the cargo ship was intercepted on 15 March when it was illegally anchored 14 km from the coast, presumably owing to engine problems.

When the vessel was inspected, the police found two containers loaded with 6 tons of sophisticated weapons. All of them were manufactured in Argentina and included machine guns, automatic carbines, electronic war equipment, a large quantity of munitions and grenades, and combat uniforms. The crew, 10 Argentines and 8 U.S. citizens, stated that they were proceeding from Argentina, where they had purchased the weapons, to Ghana.

Reliable River Police sources have revealed to NOTICIAS ARGENTINAS that the investigation "is in the hands of the Defense Ministry," but they also admitted that the Panamanian ship had departed from the port of Buenos Aires. The sources indicated that the River Police's participation was limited to dispatching the cargo ship and that it is the customs personnel who inspect the holds and seal the containers.

Meanwhile, an authorized customs source has told NOTICIAS ARGENTINAS that the documentation pertaining to the inspection of the vessels that departed on the same day that the Nobistor departed is being exhaustively investigated. Moreover, the source indicated that the ship apparently did not operate in the port and, according to the reports from Rio de Janeiro, the ship is a small one. The source admitted that if irregularities are discovered, the appropriate court will be asked to take charge.

Sources linked to the weapons industry have indicated that it could be an "absolutely legal" operation carried out by military industries and that no information was handed out because it was a question of "military secrecy."

A report by the Italian news agency ANSA indicates that there are very reliable reports that the weapons were purchased legally in Argentina by an alleged representative of the Ghananian Government. The report also indicates that when the Ghananian Government learned that the cargo was really being taken to its enemies, it reportedly asked the Brazilian authorities to intercept the vessel. According to the news agency, the weapons were purchased from the Argentine military industries for $1 million and their destination was the port of Accra.

Defense Ministry Communique

PY190005 Buenos Aires TELAM in Spanish 2258 GMT 18 Mar 86

[Text] Buenos Aires, 18 Mar (TELAM) The Argentine Defense Ministry tonight confirmed that the Panamanian flag carrier that was intercepted in Brazil was carrying a cargo of Argentine-made arms. The Defense Ministry communique stated: In connection with the reports received from Brazil on the seizure of the Panamanian flag carrier Nobistor, the Argentine Defence Ministry has reviewed the documents on the sales of the light military materiel that was to be loaded on their freighter. Having done so, it is now able to confirm that the operation in question complied with the laws in effect. Furthermore, the Argentine customs and port authorities issued the appropriate permits under normal conditions. The communique concludes by stating that the Argentine Government is currently in contact with the Ghanaian and Brazilian Governments in order to clarify whatever situations may have arisen outside the jurisdiction of the Argentine Government.

U.S., SOVIET ANSWERS TO GROUP OF SIX UNDER STUDY

PY182156 Buenos Aires TIEMPO ARGENTINO in Spanish 15 Mar 86 p 5

[Text] The Foreign Ministry yesterday was studying the answers of the U.S. and Soviet Governments to the message sent to them some time ago by the Group of Six for Disarmament. Diplomatic sources have told TIEMPO ARGENTINO that Gorbachev's attitude "was received with much pleasure, although the same cannot be said for the Reagan administration's."

It must be recalled that Soviet leader Mikhail Gorbachev has declared that the unilateral Soviet moratorium on underground nuclear testing will continue until the United States conducts a test of this kind. Nonetheless, the White House has replied that it has no intention whatsoever of suspending its nuclear testing program. In his answer to the Group of Six message, Gorbachev affirmed that the USSR "will not carry out nuclear explosions after 31 March unless the United States conducts a nuclear explosion." The Soviet leader has accepted the Group of Six proposal to verify that it is obeying the prohibition to carry out nuclear experiments.

The Soviet Union has also rejected the U.S. argument that it is impossible to verify an agreement of this sort. Gorbachev believes that it is possible to determine whether the prohibition on nuclear explosions is being complied with by exchanging observers to make on-site inspections and through "national experts," which is the way the Soviet Government refers to radars, satellites, and other instruments of detection. These detection systems are not new. They were previously provided for in the nuclear test prohibition treaty agreed to by the United States and the Soviet Union 11 years ago.

Gorbachev stressed his disposition to exchange observers with the United States, "so they can go to the places where unclear phenomena take place." He also lauded the task that is being carried out by the Group of Six, whose initiatives, he said, are "in agreement with the interest in organizing a positive and constructive action between states and peoples."

For its part, the Reagan administration has reiterated its refusal to suspend nuclear tests in answer to the Kremlin announcement that the Soviet moratorium will continue. "Our position has not changed. Nuclear weapons in the foreseeable future will continue to be an important part of our deterrent force. It will be necessary for us and our allies to carry out tests in the near future," the White House stated.

FOREIGN TRADE SECRETARY BEGINS TALKS WITH EEC

PY182354 Buenos Aires TELAM in Spanish 1941 GMT 17 Mar 86

[Text] Buenos Aires, 17 Mar (TELAM) -- In Brussels today Industry and Foreign Trade Secretary Roberto Lavagna began talks with the representatives of the EEC. He will be discussing the restrictions that are hindering Argentine growth. In his talks with the European delegates, Lavagna stressed the need to discuss the protectionist EEC policy, which has affected not only the sale of raw materials but also the development of the companies that turn out goods and services to the detriment of Argentina's export policy.

Lavagna believes that the new round of GATT talks should result in concrete benefits for the developing countries and for the countries at the intermediate stage of development. The most ambitious objective that Lavagna hopes to achieve is for the agreement that he expects to reach with the EEC to be compatible with each EEC member.

Foreign Minister Dante Caputo, who on 16 March delayed his departure for 24 hours, will arrive in Brussels on 18 March.

After meeting with the European delegates, Lavagna rules out the possibility that the negotiations will yield immediate results. However, he stressed the fact that Argentina and the EEC have resumed negotiations. The industry and foreign trade secretary praised the relations between Argentina and one of the EEC members, pointing out that this must be the starting point for the negotiations on an agreement that should help promote bilateral ties.

Caputo Discusses Agenda

PY181740 Buenos Aires TELAM in Spanish 2155 GMT 17 Mar 86

[Text] Buenos Aires, 17 Mar (TELAM) -- Foreign Minister Dante Caputo said today that Great Britain will try to interfere with the agreements that Argentina might reach during its bilateral talks with the EEC. Caputo made this statement at Ezeiza International Airport at 1700, shortly before leaving for Brussels. He added that this is the first such political meeting to be held and that this type of gathering is not a frequent occurrence. Caputo noted that only two such meetings have ever taken place.

Caputo said that the agenda will include protectionism and subsidies, and that even though some technical matters may be discussed, the meeting will be political in nature. Asked whether he will ask that the protectionist measures be lifted, he replied that this has been a permanent request and that not much should be expected in this regard. Even though the EEC agrarian policy is closely tied to the interests of EEC members, we will put forward our demands, he said.

As for the EEC restrictions on Argentine products, Caputo said that we should take advantage of the commercial opportunities offered by the EEC, just as other countries are doing.

Asked whether he would travel to Contadora after his visit to Brussels, he replied that we are not sure yet, because the meeting was originally scheduled for the next weekend. We are awaiting confirmation, he added.

Concerning the arrest of Lopez Rega, Caputo said that he does not know which passport Lopez Rega used to enter the United States and that he has nothing to add on the subject, because the extradition procedure has been carried out in public. Concerning the seizure of a ship in Brazil carrying weapons from Argentina to Africa, the foreign minister said that we are aware of the event and we are conducting an investigation. There is no official news yet, but as soon as we know something we will inform the public, he concluded.

FURTHER REPORTAGE ON ALAN GARCIA VISIT

Debt Pact Sought With Mexico

FL171830 Mexico City NOTIMEX in Spanish 1730 GMT 16 Mar 86

[By Yasmin Ross]

[Excerpt] Buenos Aires, 16 Mar (NOTIMEX) -- Peruvian Foreign Minister Allan Wagner told NOTIMEX today that the Peruvian Government is interested in signing a reciprocal agreement with Mexico in case of difficulties with foreign creditors. Such an agreement was signed yesterday by Peruvian President Alan Garcia and Argentine President Raul Alfonsin.

The Peruvian foreign minister said his government wishes to make a similar agreement with Mexico, a country with undeniable political and economic influence in the region. He said that Alan Garcia's administration intends to invite Mexico and other Latin American countries to become involved in creating a Latin American monetary fund.

Garcia, CGT Discuss Debt

PY171955 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2253 GMT 15 Mar 86

[Text] Buenos Aires, 15 Mar (NA) -- Peruvian President Alan Garcia and high-ranking leaders of the Argentine General Confederation of Labor [CGT] today decided to organize a meeting of Latin American labor confederations in Lima or in Buenos Aires before June to adopt a common policy on the foreign debt, to be presented at the ILO Conference in Geneva, scheduled for June. The meeting was proposed by the CGT, and the Peruvian president agreed to it, emphasizing that it is necessary to create "a common front among Latin American peoples to face the problem of the foreign debt."

The news was released by union leaders who accompanied CGT Secretary General Saul Ubaldini during his meeting with Alan Garcia today at Garcia's hotel. The meeting lasted 45 minutes, 20 of which were spent in talks between Garcia and Ubaldinia alone. The leaders who accompanied Ubaldini were: Juan Zanola, Victor de Gennaro, Enrique Venturini, Manuael Diz Rey, Juan Palacios, Ruben Pereyra, Juan Farias, Domingo Solimano, Ramon Baldassini, Juan Reyes, Jose Pedrazza, Pedro Goyeneche, Jorge Moran, and Carlos Irrera. President Garcia was accompanied by Luis Negreiros, chairman of the Peruvian Chamber of Deputies, who is also the main Peruvian union leader.

The union leaders stated that the foreign debt issue can unite Latin American labor unions, favoring attempts to achieve an organizational unity.

The CGT leaders promised Garcia "the solidarity of the Argentine people toward the Peruvian people," and said that "all Latin American peoples should coordinate their action."

According to the union leaders -- the Peruvian president made no statements to the press -- Alan Garcia said that from abroad, Ubaldini is seen as "one of the most important leaders of social movements," to which the leaders replied that "Argentina sees Alan Garcia as the Latin American political leader for common action." Garcia praised the unity of the Argentine labor movement, and recognized its contribution to the reestablishment of democracy in the country, and its continuation. He also acknowledged the action of the teachers and state employees. Upon leaving, Ubaldini said he was happy with the outcome of the meeting because "the president spoke from the heart, and displayed a great social sensitivity."

Garcia Praises Che Guevara

PY172324 Madrid EFE in Spanish 1735 GMT 17 Mar 86

[Text] Buenos Aires, 17 Mar CEFE) -- Peruvian President Alan Garcia has vindicated the name of Argentine-Cuban guerrilla Ernesto "Che" Guevara, and said that he cannot be compared to "the murderous madness of the Shining Path terrorism." The Peruvian president referred to the guerrilla, who died in Bolivia in 1967, in a 16 March press conference with which he concluded his 3-day visit to Argentina and the cities of Buenos Aires, Cordoba, and Salta.

"We cannot compare the romantic glory of Ernesto Guevara and his activities during those years with this homicidal, madness, and murderous action of the childish Shining Path group," Garcia stated. He added: "I always remember that all during our childhood and afterwards, I have admired the romanticism of the guerrillas and insurrection movements in Latin America of that time, but they were quite different." He added that his government will continue fighting the Peruvian guerrilla group "within the provisions of the Constitution and the law, and we are trying to regain zones where the rebel groups are active through reconstruction projects and winning back the poor and unprotected people of my country."

SHIPPING AGREEMENT REACHED WITH CUBA

PY072331 Buenos Aires DYN in Spanish 1416 GMT 7 Mar 86

[Text] Buenos Aires, 7 Mar (DYN) -- It has been officially reported that the Argentine-Cuban talks on maritime shipping have ended successfully in this capital. The outcome of the negotiations held this week will be included in a document to be signed tonight at 1900 in the central offices of the Fluvial and Maritime Transport Under Secretariat. The Argentine delegation, which took part in the negotiations, was headed by Pedro A. Trucco, fluvial and maritime transport under secretary, while the Cuban delegation was headed by Cuban Transport Minister Jesus Perez Bencomo.

POLISH FISHING VESSEL SEIZED OFF PUERTO DESEADO

PY172010 Buenos Aires TELAM in Spanish 1805 GMT 17 Mar 86

[Text] Puerto Deseado (Santa Cruz), 17 Mar (TELAM) -- Sources in Puerto Deseado have reported that at 1240 today the Coast Guard from the Argentine Naval Prefecture "GC 28 Derbes" seized, after firiing six warning cannon shots, the Polish fishing boat Likosar, which was carrying 14 tons of processed squid.

The factory ship was seen some 200 miles from the Malvinas Islands, outside the exclusion zone. After being ordered to stop, it tried to escape.

For this reason six 40-mm cannon shots were fired, three to the stern and three to the bow. The Likosar, Register No 101, was seized at 48.52 degrees latitude south, 198 km east of Puerto Deseado. The Polish ship, with its crewmembers detained, is being brought to the Puerto Deseado Naval District, a 20-hour trip. It is being escorted by another Coast Guard vessel and a helicopter of that naval district. It is believed that a $1-million fine could be imposed on the ship's owners and its cargo could be confiscated.

FOREIGN MINISTRY REORGANIZATION OUTLINED

PY172040 Buenos Aires DYN in Spanish 1801 GMT 17 Mar 86

[Text] Buenos Aires, 17 Mar (DYN) -- In accordance with Decree No 376/M41, which was signed by President Raul Alfonsin on 13 March, the Foreign Ministry will undergo a major reorganization of its functional structure. The preamble of the decree, which was also signed by Foreign Minister Dante Caputo, Economy Minister Juan V. Sourrouille, and Finance Secretary Julio Brodersohn, states that "it is necessary to implement a new organization" for the Foreign Ministry "in accordance with the role that has been assigned to it" in the law governing the ministries. The decree also states that "it is necessary to give this ministry an organizational structure that will make it more efficient in achieving its specific objectives."

In the new structure, the following departments will now come under the Foreign Ministry: the International Relations and Worship Secretariat, headed by Ambassador Jorge Sabato; the International Economic Relations Under Secretariat, headed by Ambassador Jorge Romero; and five directorates: the National Directorate for Ceremonies, the General Directorate for the Inspection of Embassies and Consulates, the General Press Directorate, the Information Directorate, and the Communications Directorate (which was created). The ministry will also include: the Foreign Service Institute of the Nation (ISEN), the International Border Commission, and the National Commission of the River Plate Basin Treaty (this commission is chaired by Caputo himself). The General Directorate for the Inspection of Embassies and Consulates has been created within the framework of the ministry's new structure.

GOVERNMENT, CGT POSITIONS ON 25 MAR STRIKE NOTED

PY131745 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 86 p 9

[Text] (NA-DYN) -- President Raul Alfonsin gave a belligerent tone to current government-labour relations by saying before his departure to Bariloche (see story below) "we know the film but this time it will end differently" in a reference to the general strike called for March 25. A CGT reply is expected today when the time of the day the 12-hour stoppage is to begin should also be announced. Meanwhile the two sides resumed contact after a fashion when Labour Minister Hugo Barrionuevo met civil servants' leader Miguel Candore yesterday afternoon for talks to avert the stoppage while another white-collar unionist, CGT press secretary Armando Cavalieri, said the confrontation helped nobody and expressed hopes "the film would have a happy ending."

Barrionuevo said the government was working "flat out" on a new package to offer the CGT, Candore said after the meeting. However a government spokesman revealed no change on earlier leaked proposals of a real wage growth of four percent this year but no compensation for lost purchasing power last year. Candore said the CGT has delayed the 12-hour strike until March 25 as their way of giving Barrionuevo the 15-day truce he had requested to come up with a new offer. The strike could be lifted if the offer was right, he said. Union sources also said CGT secretary-general Saul Ubaldini had included a 36-hour April strike in the CGT "battle plan" at the request of interior branch secretaries but against the wishes of the labour grouping's directive council.

Meanwhile there were conflicting reports as to whether the strike will be debated in Congress tomorrow with budget committee chairman Jesus Rodriguez telling Radio Continental it could be and Lower House majority leader Cesar Jaroslavsky (Radical-Entre Rios) saying he knew nothing about the matter. Rodriguez said the strike could be appended to the ongoing debate on the foreign debt since a moratorium was a CGT demand.

Jaroslavsky (together with Radical deputy Leopoldo Moreau) met Cavalieri yesterday as well as debating the strike on radio with Cordoba unionist Miguel Angel Correa. The Radical congressman claimed both real wages and industrial production were growing and that the right to strike did not extend to general strikes. Jaroslavsky also suggested that CGT normalization was essential in order to end the jockeying he considers to lie behind strike decision.

On his return from Bariloche (where Rio Negro Governor Osvaldo Alvarez Guerrero also criticized the strike) Alfonsin also said he knew nothing about the debate although he added "we should join together to confront the crisis rather than argue." He said the government was "socially sensitive" and aware that labour wage demands were "just," adding that solutions for the poorest sectors would be found. Peronist Deputy Roberto Digon echoed Alfonsin's statements, saying "a national unity project" would be a more fitting subject for debate. He also said the working class was sacrificing up to eight billion (thousand million) dollars a year for the benefit of speculators and the International Monetary Fund (IMF).

In other reactions to the strike, Health Minister Aldo Neri said he was "surprised" at the stoppage under a democratic government, which he called an "extreme abuse," while the Authentic Socialists endorsed the move as "a legitimate and constitutional right in defence of wages and full employment." But Neri hailed the apparent resumption of dialogue.

Teachers were at the forefront of other labour news with the CTERA union confirming they would strike for 24 hours on March 25 in order to press for a 25 percent increase for all teachers while the Buenos Aires provincial government proposed a 14 percent hike in teachers' pay and pensions, taking the starting salary up to 119 australs. Nevertheless, schools started as scheduled in Salta.

Both the UOM metal workers' union and the UOCRA building workers' union are poised to begin "battle plans" today. In other labour developments, the Association of Federal Capital Clinics and Hospitals called a strike for March 13-14 to press for a 60 percent increase in fees. Only emergency cases will be treated. Fuel suppliers are reportedly on the verge of a lockout. "Domecq Garcia" submarine workers will be demonstrating outside the defence ministry to press for a 100 austral hike, as well as striking for three or four hours. Finally, workers at the DEMA metal worker in Moron decided to strike after 120 colleagues were fired.

CONGRESSMEN VOICE OPINIONS ON IMF AGREEMENT

PY181856 La Paz Cadena Panamericana in Spanish 1130 GMT 18 Mar 86

[Text] After the signing of an agreement with the IMF, some political parties voiced their opinion about this government decision. Panamericana asked some senators and deputies their opinions on the issue. Senator Daniel Cabezas, of the Movement of the Revolutionary Left, said the following:

[Begin recording] What will happen now is that we will continue to obey the orders of the IMF, as intended by the current ruling party. But I understand that there can be three ways to face the problem. On the one hand, the government would like to make lawful commitments with the IMF regarding the tax reform and especially the budget because they must be submitted to congress. I believe that all the IMF is trying to do is interpret the laws of our country, but at the same time, there is something else the IMF is trying to protect and we know very well what it is: the economic policy and the economic interests of the Western Hemisphere. [end recording]

Meanwhile, Deputy Benjamin Miguel of the Christian Democratic Party said that the government should have consulted the legislative branch before signing this agreement with the IMF. This is what he said:

[Begin recording] Well, first of all I think that the country's grass roots should have been consulted before reaching a definite agreement, because, whatever decision the legislative branch makes, the population will have to make a great social sacrifice, due to Bolivia's serious economic crisis. This can be well observed in the teachers' sector. Because this agreement has been signed, money can no longer be printed indiscriminately, and salaries cannot be increased. Taking into consideration the current cost of living, it is impossible for the wage earners -- white collar or blue collar -- to subsist. [end recording]

Concluding, Deputy Jose Luis Gutierrez, of Bolivian Socialist Falange, voiced the opinion of his party as follows:

[Begin recording] What seems important to us is that an agreement could be signed with the IMF. However, we are concerned about the fact that this agreement is subordinating a number of important issues, such as our budget. It also concerns us to think that sectors that are important to the nation might be sacrificed to fully meet the restrictive policies that the IMF -- which in our opinion is an instrument of colonialism throughout the world, particularly in Bolivia -- wants to impose on our country's economy. [end recording]

'DISPLEASURE' EXPRESSED WITH REAGAN SPEECH

PY181418 Madrid EFE in Spanish 1234 GMT 18 Mar 86

[Excerpt] Brasilia, 18 Mar (EFE) -- Official sources today reported that the Brazilian Foreign Ministry expressed its displeasure to the U.S. Charge d'Affaires over Ronald Reagan's statement that Nicaragua is training guerrillas to destabilize Brazil. U.S. Charge d'Affaires Alexander Watson was summoned on the evening of 17 March by acting Foreign Minister Paulo Tarso Flecha de Lima, who asked for explanations about the statement made by President Reagan in his 16 March address to the nation. The Brazilian Government has thus expressed its displeasure with the United States for the second time in a week, according to official sources.

"There are no Brazilian guerrillas with the intention of attacking democratic security and stability," a high-ranking Foreign Ministry official told EFE. "We have had no guerrilla actions in Brazil since the Sandinist triumph in 1979," he added. The meeting between Tarso Flecha de Lima and Watson lasted only 5 minutes, and when leaving the U.S. diplomat admitted that Reagan's statement "deserves an explanation" but ruled out the possibility that the episode would lead to an incident. "Incident is a very strong word," Watson said. High-ranking officials of the Brazilian Foreign Ministry yesterday analyzed carefully the contents of Reagan's speech delivered last Sunday which was an appeal in favor of a project to aid the Nicaraguan contras with $100 million.

ABREU SODRE SCORES U.S. POLICY TOWARD NICARAGUA

PY190057 Rio de Janeiro O GLOBO in Portuguese 18 Mar 86 p 9

[Text] Porto Alegre -- "The radical U.S. position is severely damaging the quest for a peaceful solution to the Nicaraguan conflict that Brazil, which supports the Contadora Group, wants." Foreign Minister Abreu Sodre made this remark yesterday during his short stopover in the capital of Rio Grande do Sul State. The minister added that Brazil will not participate in the peace-keeping force that is being assembled to oversee the border between Costa Rica and Nicaragua, where the counterrevolutionaries are operating, but it will attend the meeting scheduled for 23 March during which the Contadora Group will discuss this issue. Abreu Sodre went on to say that he will travel to Saudi Arabia next month and will take advantage of this trip to further the rapprochement with the African nations, especially Angola and Nigeria. He will visit these countries "in search of balancing trade between the African countries and Brazil."

PCB, CHINESE COMMUNIST PARTY RESUME RELATIONS

PY182332 Rio de Janiero O GLOBO in Portuguese 17 Mar 86 p 3

[Text] Sao Paulo -- Relations between the Brazilian Communist Party and the PRC Communist Party [CPC] have been virtually resumed after a 24-year break. Regis Frati and Sergio Moraes, members of the PCB National Directorate, returned from Beijing last Saturday. They had gone there at the invitation of the CPC to initiate talks aimed at normalizing relations. Next May Giocondo Dias, PCB national president, will head a delegation that will be received by the leadership of the PRC Communist Party.

Frati yesterday said that the rapprochement between the two parties has been prompted by the renewed understanding between the Soviet Union and the PRC, adding that "it is a sign of greater unity in the international communist movement." The two PCB representatives were received by Qiao Shi, member of the Politburo and the Secretariat of the CPC, on 4 March. They also visited with the Brazilian ambassador to the PRC, Italo Zappa.

10 MARCH DECREE AMENDS ECONOMIC CHANGES

PY172103 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Mar 86 p 13

[Text of Decree-Law 2284, issued on 10 March 1986 amending and superseding Decree-Law 2283 of 28 February 86]

[Text] The president of the republic, using the powers bestowed on him by Article 55, Section 1 and 2 of the Federal Constitution, and

Considering that Decree-Law 2238 of 28 February 1986 was published with some mistakes;

Considering the Brazilian people's unanimous support for the anti-inflation monetary plan, they have been a source of suggestions to improve the measures;

Considering that all corrections and improvements must be incorporated into a single text to ensure the continuing validity of the nonamended and herewith repeated regulations;

Preliminary Resolutions

Article 1. The Brazilian monetary unit will henceforth be called the cruzado, and the centavo is hereby to refer to the 100th part of the new money.

Paragraph 1. The cruzeiro corresponds to 0.001 of the cruzado.

Paragraph 2. The sums of money will be preceded by the symbol cz$.

Article 2. The Central Bank of Brazil is to provide for the restamping and acquisition of cruzeiro bills and coins, as well as printing new bills and issuing new coins in cruzados, in the amount necessary to replace the cruzeiros in circulation.

Paragraph 1. The bills and coins issued in cruzeiros will circulate concurrently with the cruzado, and their value will be 1,000 cruzeiros per cruzado.

Paragraph 2. In 12 months, beginning with the implementation of this decree-law, the cruzeiros will lose their tender value and will no longer have any legal value.

Paragraph 3. The 12-month period established in the previous paragraph can be extended by the National Monetary Council.

Article 3. Accounting documents, such as checks, securities, bonds, invoices, contracts, and all transactions that can be stipulated in national currency, safeguarding the provisions in Article 34, will be written in cruzados as of 28 February 1986.

Paragraph. The executive branch, through the regulations established by the appropriate agencies, may request any corporation to provide an unscheduled financial and accounting balance sheet showing its status on 28 February 1986 in order to adapt the corresponding entries to the regulations of this decree-law.

Article 4. The cash deposits of financial institutions, the balance of accounts of the Service Time Surety Fund, and the PIS-PASEP [Social Integration Program Civil Servants Welfare Fund], current accounts, all overdue obligations, including salaries, as well as all the monetary obligations imposed under the penal law will be converted to cruzados on 28 February 1986 according to what is established in Paragraph 1, Article 1.

Paragraph. The conversion to cruzados, as determined in this article, of the balance of savings accounts, as well as the balance of the service Time Surety Fund and of the PIS-PASEP, must be preceded by a pro rata application of the monetary correction and interest rates as per legislation valid on 27 February 1986.

Article 5. The variations of the general price level will be measured by the Consumer Price Index [IPC] expressed in cruzados. The Brazilian Institute of Geography and Statistics Foundation will be charged with this task, using the same method now applied to the evaluation of the national consumers price index.

Article 6. The National Treasury Readjustable Bond, ORTN, instituted by Law 4357 of 16 July 1964, will henceforth be called National Treasury Bond, OTN, and its value is set at 106.40 cruzados. This value will not be altered until 1 March 1987.

Paragraph. On 1 March 1987 the OTN will be readjusted, upwards or downwards, by the percent variation of the IPC over the preceding 12-month period. Future readjustments will be made periodically as established by the National Monetary Council.

Article 7. As of the implementation of this decree-law, the clause providing for monetary readjustment in contracts with terms of less than 1 year will no longer be applied, at the risk of invalidating the contract. Contracts of terms longer than 12 months may contain a readjustment clause provided it is based on OTN in cruzados.

On the Question of Obligations

Article 8. Payment obligations expressed in cruzeiros, whether or not they are subject to a pre-established monetary-correction clause, contracted prior to 28 February 1986 will be converted into cruzados on the date they fall due by dividing the amount in cruzeiros by the conversion factor given in Article 1, Paragraph 1.

Paragraph 1. The conversion factor will be applied on a daily basis by multiplying the initial parity (1,000 cruzeiros/1 cruzado) cumulatively times 1.0045 for each day as of 3 March 1986.

Paragraph 2. The interest rates on contracts involving obligations referred to in this article, should apply to their value in cruzeiros prior to their conversion into cruzados.

Article 9. Monetary obligations contracted prior to 28 February 1986, expressed in cruzeiros and containing a monetary correction clause, will on that date be proportionally readjusted on the contractual basis and then converted into cruzados according to Article 1, Paragraph 1.

Article 10. Obligations related to residential rents, installments on the Housing Financial System, and monthly school tuition are to be converted into cruzados on 1 March 1986, on the basis of their respective average real values as stated in Annex I.

Paragraph 1. Under no circumstance will installments on the Housing Financial System be higher than the salary equivalance for the mortgagee's professional category.

Paragraph 2. On the financing contracts of the Housing Financial System valid for more than 12 months, the lender will be able to collect as of 1 March 1986 the cumulative variation of the IPC in the case of amortization or liquidation, in advance.

Paragraph 3. Residential rents, converted into cruzados according to provisions made in this article, will remain unchanged until 28 February 1987.

Regarding the Capital Market:

Article 11. The National Monetary Council [CMN], exercising powers given to it by Law 4595 of 31 December 1964, will establish regulations aimed at adapting the capital market to what has been established through this decree-law.

Article 12: As of today, only the balance of the savings passbooks and the balances of the Service Time Surety Fund, and the PIS-PASEP Funds will be adjusted according to the IPC, as per Article 5 of this decree-law, at time periods to be established by the National Monetary Council.

Article 13: The Central Bank of Brazil will establish the minimum term for time deposits in financial institutions and authorize them to receive time deposits from other institutions, whether they are controlled by the same shareholder or belong to the same conglomerate.

Article 14. The following amendments are made to Law 4595 of 31 December 1964:

1. Add Clause 32 to Article 4: To regulate time deposits between financial institutions, whether they are controlled by the same shareholders or belong to the same conglomerate.

2. Item III of Article 1 will henceforth read as follows:

III. Receive demand deposits from institutions referred to in item III of Article 10 of this law, carrying the respective accounts.

3. Clause 3 of Article 19 henceforth reads: Receive demand deposits from institutions referred to in Clause 3, Article 10 of this law, carrying the respective accounts.

Article 15. Article 4 of Decree-Law 1454 of 7 April 1976 will now be in effect with the following changes:

Article 4: The Central Bank of Brazil will establish the minimum periods to be observed by the financial institutions authorized to receive time deposits, to issue bills of exchange, and to accept bills of exchange.

Article 16: Article 17 and Paragraph 2 of Article 43 of Law 7450 of 23 December 1985 will henceforth read:

Article 17: Corporations whose real or estimated profits in the 1985 financial exercise have been equal or higher than 40,000 OTNs--Article 2 of Decree-Law 1977 of 23 November 1982 -- will be taxed on the basis of the real or estimated profits, verified every June and December, unless they demonstrate that they have observed the price policy implemented by the authorized organs of the Finance Ministry. Article 43, Paragraph 2: To exclude real profits and discounts granted on the first sale of securities and obligations that serve as basis for calculations stipulated in Article 7 of Decree-law 1641 of 7 December 1978, of Articles 39 and 40 of the same law.

Regarding Salaries, Funds, Pensions, and Fees:

Article 17. Beginning 1 March 1986, the minimum salary is set at 800 cruzados, including the supplementary bonus mentioned in this decree-law, and its readjustment will again be made on an annual basis as of 1 March 1987, preserving the right granted through Paragraph 1 of Article 21.

Article 18. The earnings of civil servants and retirees' pensions will be converted into cruzados on 1 March 1986 in accordance with Article 19 and its single paragraph.

Article 19. As of today all salaries and wages are converted into cruzados by taking the average value of the real income during the past 6 months and applying to it the formula contained in Annex 2, using the conversion factors table in Annex 3.

Paragraph: An 8-percent bonus on the real salary in cruzados will be granted.

Article 20. Salaries, pensions, and remunerations in general will henceforth be annually readjusted by the IPC, maintaining their base-date, regardless of extraordinary readjustments instituted in the next article.

Paragraph. On the base-date, salary readjustments will be obligatory up to 60 percent of the accumulated IPC variation, allowing negotiations for the remainder 40 percent.

Article 21. Salaries, pensions, and remunerations will be automatically readjusted by the accumulated IPC variation, whenever it reaches 20 percent, as of the date of the first negotiations, collective bargaining, or based-date for readjustment. The automatic readjustments will be considered as salary advances.

Article 22. The collective bargaining system is broad, setting no ceilings, and therefore, the value of salaries can be freely negotiated.

Article 23. Enterprises will not be allowed, without previous authorization by the Interministerial Price Council, to pass on, as increases in the prices of their goods or services, the readjustments referred to in Articles 20 and 22, under pain of:

I. Temporary suspension of loans or financings by official financial institutions.

II. Review of fiscal incentives granted or special tax treatments.

Article 24. Collective bargaining will not be allowed to contain clauses providing for compensatory salary readjustments, under pain of being invalidated.

Paragraph: The courts are to enforce this rule, adopting measures and bringing action against violations of this rule.

Regarding Unemployment Insurance:

Article 25. Unemployment insurance is hereby established with the purpose of granting temporary financial assistance to the unemployment worker who was dismissed for unjustified reasons or the total or partial paralyzation of the employer's activities.

Article 26. Workers under Article 3 of the CLT [Consolidated Labor Laws] that fulfill the following requisites will have a right to benefit from this measure:

1. Those who have contributed to the social security system for at least 36 months during the past 4 years;

2. Those who can legally prove that they have been salary earners working for public or private corporations during the past 6 months, by showing their registration with the Labor and Social Security Ministry.

3. Those who have been dismissed from their jobs for more than 30 days.

Article 27. This unemployment insurance will be granted for a maximum period of 4 months to the unemployed workers who has no other means of income to maintain himself and his family or does not receive benefits from the social security system or any other type of unemployment aid.

Paragraph 1. This unemployment insurance will be cancelled if the unemployed worker refuses to take another job.

Paragraph 2. A worker will qualify for this benefit for a period of 4 months every 18 months, counted either in a continuous or alternate manner.

Article 28. The value of the unemployment insurance the worker will receive will be: 1) 50 percent of salary for those who earned up to 3 minimum salaries per month; and 2) 150 percent minimum salary for those who earned more than 3 minimum salaries per month.

Paragraph 1. The average salary value for the past 3 months will be considered to determine the value of the insurance.

Paragraph 2. In any case, the value of the insurance cannot be less than 70 percent of the monthy minimum salary.

Article 29. The funds for unemployment insurance will be provided for by the Assistance Fund for Unemployed Workers, which is provided for in Article No 4 of Law 6181 of 11 December 1974.

Paragraph: During the 1986 fiscal year, this benefit will be financed by the resources from supplementary credits obtained from either surplus tax collections, or the partial or total cancellation of budgeted funds or additional credits authorized by law.

Article 30. Thirty days after this decree-law is published, the executive branch will establish, under the jurisdiction of the Labor Ministry, a commission formed by representatives of the government, employers and employees, that will formulate proposals to help in the writing of a law providing for the financing of the unemployment insurance as of 1 January 1987. Financing will be attained through combining contributions from the federal government, employers and workers. Other sources will also be considered;

Article 31. The provisions regarding unemployment insurance will produce financial effects on the date, when its regulations are completed within a period of 60 days after the publication of the present decree-law.

Article 32. The provisions regarding the unemployment insurance are to be applied to the worker who is unemployed after the regulation referred to in the previous article is promulgated.

Regarding General Provisions:

Article 33. Debts resulting from court decisions and credits established in compositions or bankruptcies or in out of court settlements prior to the date of this decree-law are to be updated, for their respective values in cruzeiros, in accordance with legislation applicable in each case, and converted to cruzados on this date at the legal rate of conversion, without affecting the interest rates and the subsequent readjustments by the OTN in cruzados.

Article 34. Public budgets using cruzeiros will be converted to cruzados only after calculating the respective deflation on the balance of expenditures and revenues in order to adjust those balances to the stability of the new currency.

Article 35. All prices to remain frozen at the levels of 27 February 1986.

Paragraph 1. The conversion to cruzados of the articles referred to in this article will be done according to the calculations established in Paragraph 1 of Article 1, strictly based on the cash prices of that day and not, under any circumstances, based on the added prices or installments.

Paragraph 2. The price freeze instituted by this article which, in all circumstances is equal to the official price list, may be suspended or reviewed, totally or partially, by order of the executive branch, in keeping with the stability of the new currency or of a particular circumstance.

Article 36. The Special Secretariat for Supplies and Prices (SEAP), the Interministerial Prices Council (CIP), the National Supplies Superintendency, (SUNAB), the agencies of the Finance Ministry, the Consumers' Defense Council, the Federal Police, and the agencies of the Justice Ministry and the Labor Ministry will oversee the stability of all prices, whether they are included in the official system of control.

Article 37. The Justice Ministry and the Finance Ministry are authorized to immediately conclude agreements with the governments of the states, municipalities, and federal districts to ensure the strict compliance with this decree-law and to protect the consumers, providing for the punishment of violators and speculators.

Article 38. Any private citizen or public servant can report to the pertinent authorities any violation of the price freeze or any case of hoarding of products for speculative purposes, anywhere in the national territory.

Regarding Temporary Provisions:

Article 39. The state ministers will submit to SUNAB the names of their subordinates who will participate in the activities of supervision provided for in this decree-law and in Decree 92433 of 3 March 1986.

Paragraph 1. The federal government will sign agreements with the states, the Federal District, territories, and municipalities for the execution of activities mentioned in this article.

Paragraph 2. The functionaries of ministries that are designated to perform the activities mentioned in this article will be empowered to bring charges against violators, to notify them of the charges, and to carry out other actions related to supervision.

Paragraph 3. The charges, notifications, and actions taken by the agents of supervision, including those designated under provision of this article, will be prosecuted and judged by the appropriate office of the SUNAB, which will be charged with coordinating and supervising all supervision activities.

Article 49. In the first month of circulation of the new currency, and taking into account the need to transform previous indexes into new ones corresponding to the stability of the cruzado, the Brazilian Institute Foundation of Geography and Statistics is authorized to proceed to the conversion of data calculated in cruzeiros so as to permit the measurement of the real price level by the consumers price index instituted by this decree-law, complying with instructions to be imparted by the Planning Ministry.

Article 41. The payment of taxes that have been generated by operations prior to the date on which this decree-law goes into effect will be made according to the rate of conversion established in Paragraph 1,Article 1.

Paragraph 1. Income tax declarations for this fiscal year, referent to 1985 as base-year will be filed under the previous system, according to applicable legislation, and then converting the final sum to cruzados at the rate of 1,000 cruzeiros per cruzado.

Paragraph 2. The corporations whose business year in 1986 do not coincide with the calendar year will make their respective declarations according to instructions to be released by the Finance Ministry.

Article 42. The installments of the housing financing system that will fall due in March 1986 will be converted by the legal cruzeiro/cruzado parity established in Article 1, Paragraph 1, not by the conversion system described in Article 11.

Regarding Final Considerations

Article 43. The president will issue the regulations for this decree-law within 30 days, except the regulation mentioned in Article 31.

Article 44. This decree-law becomes effective on the date of its publication, revoking Article 47 of Law 7450, decree-law 2283 of 28 February 1986, and all provisions to the contrary.

Brasilia, 10 March 1986, 165th year of the independence and 95th of the Republic.

Jose Sarney.

Annex 1 (Article 11)

Calculation of rentals in cruzados for contracts in force on 28 February 1986:

1. The value of the last rent paid in cruzeiros will be multiplied by the updating factor corresponding to the month of the last rent readjustment or, in the case of contracts concluded after February 1985, by the updating factor corresponding to the month the contract was signed. The resulting value will be multiplied by the factor 0.7307 (contracts with semestral readjustment clause) or by the factor 0.5266 (for contracts with annual readjustment clause). The average real rent in cruzeiros thus obtained will be converted in cruzados by the conversion parity established in Article 1, Paragraph 1, of Decree-law 2283.

2. Regarding installments of the housing financial system, their value will be determined by multiplying their value in cruzeiros, taking into account the 6 months prior to March 1986, times the corresponding updating factors listed in Annex III. The values resulting from these multiplications will be added and the total divided by 6. The value of this arithmetic mean will be converted into cruzados as per Article 1, Paragraph 1.

3. As for monthly school tuitions, the calculation average value will result from the application of coefficients to be established by a regulation to be issued by the executive branch, and then converted into cruzados as per Article 1, Paragraph 1.

Annex II

Calculation of salaries in cruzados on contracts in force in September 1985.

The average real salary -- including advances, bonuses or other benefits, but excluding the 13th monthly salary and other additional salaries -- in individual labor contracts in force in September 1985 will be calculated by multiplying their value in cruzeiros, taking into account the 6 months prior to March 1986, by the updating factor included in the Table in Annex III corresponding to each of those months. The values resulting from these multiplications will be added and the total divided by 6. The values of this arithmetic mean will be converted into cruzados as per Article 1, Paragraph 1.

The employees whose employers classify them by careers and the public servants regardless of the date of their employment will have their salaries converted by the same forumla, taking into account the salaries of the 6 months prior to March 1986 earned by employees who hold identical posts or perform identical functions.

Calculation of Salaries on Contracts Signed After September 1985

For the calculation of average real salary -- including advances, bonuses, or similar benefits, but excluding the 13th monthly salary and other additional salaries -- in individual labor contracts signed after September 1985, the value in February 1986 will be multiplied by the updating factor listed in the Annex III Table corresponding to the initial month of the contracts. The value thus updated will be multiplied by a variable factor to be established in the regulation of this decree-law, in proportion with the salary variation in contracts in force in September 1985, for those holding equivalent positions or performing equivalent functions. This corrected value will be finally converted into cruzados by the cruzeiros-cruzado parity of 1,000 to 1 stated in Article 1, Paragraph 1.

Table, Annex III (Articles 11 and 21) updating factors.

1985	March	3.1492
1985	April	2.8945
1985	May	2.7112
1985	June	3.5171
1985	July	2.3036
1985	August	2.0549
1985	September	1.8351
1985	October	1.1743
1985	November	1.5064
1985	December	1.3292
1986	January	1.1430
1986	February	1.0000

GOVERNMENT STOCKPILES EMERGENCY FOOD SUPPLY

PY180209 Brasilia Domestic Service in Portuguese 2200 GMT 17 Mar 86

[Excerpt] From now on, and throughout the year, the government will maintain a stock of basic foodstuffs sufficient to meet the needs of the entire citizenry for a period of 30 days. This decision was approved today during the meeting held by the National Superintendency of Supplies. The purpose of this measure is to safeguard the country from possible climatic problems. The stock will be ready in 60 days time and will consist of 500,000 tons of rice; 1,2 million tons of corn; 300,000 tons of beef; 120,000 tons of soybean oil; 100,000 tons of cotton; and 10,000 tons of milk.

PINOCHET COMMENTS ON DONALD REGAN'S REMARKS

PY182026 Santiago Radio Chilena in Spanish 1700 GMT 18 Mar 86

[Text] Asked about the statement by U.S. spokesman [as heard] Donald Regan that for the time being the United States does not want the Chilean regime to be overthrown, General Augusto Pinochet today stated in Concepcion that the Chilean people are different from the U.S. people. Speaking in Concepcion, the chief of state said that Chile is being governed by a political constitution that was approved by the people in 1980. The head of state stressed, however, that the United States is governed by a constitution imposed in 1787.

General Pinochet was approached by the press after opening the Enacar [National Coal Enterprise] management offices in Concepcion. Pinochet said that the only comment I can make is that we are different from the Americans and this must be understood. Pinochet added that we are Latins and they are Anglo-Saxons. We are governed by Roman laws and they are governed by the Magna Carta. The chief of state explained that we depended on the Spanish king and they were a colony. Therefore, there is a big difference. On the other hand, there is something they, too, must understand: Our current Constitution was approved by the people while their Constitution was imposed in 1787.

Further Pinochet Response

PY190030 Santiago Domestic Service in Spanish 2300 GMT 18 Mar 86

[Monitored in Progress[

[Excerpt] ... no one has to tell us the way. The chief of state stated in Curanilahue that Chile has a way to follow a way that we, ourselves, have chosen, and this way is nonegotiable an unwavering.

Journalist Rosa Sanchez, our special envoy assigned to cover the presidential tour, will now give us details on the comments the head of state made during his visit to the 8th Region.

[Begin Sanchez relay] The president of the Republic today emphasized that no one has to tell the Chileans the way because that way is nonnegotiable and was chosen by the people. This statement was made by the chief of state while speaking to representatives from small- and medium-size enterprises in Curanilahue, where he arrived, along with five ministers, on the third day of his tour through the 8th Region. The head of state added that Chile has a way that we ourselves chose. They way is nonnegotiable and unwavering, he said.

President Pinochet added: The Chilean people chose this way, and no foreigner, no matter how powerful, can come and impose his will on us because the Chilean people are sovereign. Moving on, the head of state said that over the past few days a draft resolution accusing Chile of human rights violations was drafted and asked himself who are the people that raised this matter. Nothing less than some politicians who went abroad to beg, he said. [end relay]

FOREIGN MINISTRY REPLIES TO UN RIGHTS REPORT

PY190323 Paris AFP in Spanish 0248 GMT 19 Mar 86

[Text] Santiago, 18 Mar (AFP) -- The Chilean military government today reiterated its firm and constant desire to safeguard respect for human rights and lashed out against the recent resolution adopted by the United Nations in Geneva on this issue.

In a communique, the Foreign Ministry stated that General Augusto Pinochet's regime is studying and assessing the critical report submitted by UN special observer Fernando Volio Jimenez that was approved without vote during the 42d UN ordinary session. The decision adopted in Geneva, which was sponsored by the United States, mentions political crimes, kidnappings, cases of torture, and the presence of private groups linked to the security services.

The Foreign Ministry regretted the fact that the UN Human Rights Commission proceeded to approve the report without taking into account the provisional nature of the report and fact that the government's answer was still pending. This has unjustly prevented the country from defending itself, thus undermining the seriousness and fairness of the whole procedure.

The communique states that it is unacceptable that, in the name of human rights, political aspects that exclusively are issues of national sovereignty, in which no person, institution or foreign organization, no matter its nature of rank, can interfere, are trespassed. The note added that several of the propositions included in the resolution are not universally recognized and are not even respected by many states that approved it. In addition, the Foreign Ministry in Santiago emphasized that any meddling that is likely to affect the national dignity will never be accepted.

The communique also criticized the political bias given to the report, both in Chile and abroad, through a preconceived publicity campaign organized with indescribable goals. The Foreign Ministry's note charged that well-known Chilean opposition members shamelessly participated in drawing up and negotiating the draft of the approved resolution. The communique said that it is also inexplicable that the resolution does not include any condemnation of the terrorism that is now affecting Chile, as is happening in many other countries of the world.

The Chilean Government reasserted its willingness to continue cooperating with the international organization, provided its defenseless position and the discriminatory to which it is being subjected are duly overcome. The communique concluded by stating that the Chilean Government will present its observations and the respective background information with the goal of replying to the report of the UN special observer. It said that these observations and background information are to be considered in his final report to the social economic council, to the UN General Assembly, and to the Human Rights Commission.

EEC URGES FASTER DEMOCRATIZATION PROCESS

PY182242 Santiago Radio Chilena in Spanish 1700 GMT 18 Mar 86

[Relay from the Foreign Ministry by reporter Jose Francisco Contreras]

[Excerpt] Good afternoon. The EEC countries have called upon the Chilean authorities to speed up the democratization process. This statement was made in a press communique released today in the Netherlands and disseminated in Santiago through the Royal Netherlands Embassy.

The communique states that the Chilean Government's position rejecting the opposition, recently expressed through court actions violating the principle of the freedom of the press, is not leading toward a national reconciliation. The European countries then state that the EEC countries are seriously concerned about these recent developments and urge the Chilean Government to find a way to speed up the democratization process so that the clearly visible aspirations of the Chilean democratic sectors can be met. This was the text of the EEC communique on the political situation in Chile.

PINOCHET VISIT TO 8TH REGION SETS OFF PROTESTS

PY190137 Santiago Radio Chilena in Spanish 2300 GMT 18 Mar 86

[Text] General Augusto Pinochet, who today spent a few hours visiting the Concepcion area, was received in Concepcion and neighboring areas with disturbances provoked by clashes between demonstrators and the police forces. The Vicariate of Solidarity of the Concepcion Archbishopric has reported to the "Primera Plana" program that a dozen people were arrested.

In Concepcion and Lota, the police were forced to repress the demonstrators by using tear gas canisters and water cannons. As we just mentioned, the Concepcion Vicariate of Solidarity has given some details on what happened today in the area. Let us listen to their report.

[Begin relay by unidentified reporter] In our department, we have learned that three people were arrested here in Concepcion; namely, Humberto Toro, Humberto Fernandez, and Patricio Garrido. This reportedly is the list of detainees. This action occurred at about 1300 during incidents in downtown Concepcion. The many Carabineros dispersed the demonstrators violently. We have also learned that five persons were arrested in Lota when the presidential motorcade arrived there. [end relay]

This was a report by the Concepcion Vicariate of Solidarity.

Further on Demonstrations

PY190204 Santiago Radio Chilena in Spanish 2300 GMT 18 Mar 86

[Relay from Talcahuano by the Radio Talcahuano Press Department]

[Excerpt] Tear gas canisters in downtown Concepcion and arrested women in Lota were reported today during opposition demonstrations at the time of the presidential visit to the area. Shortly after the president dedicated the Enacar [National Coal Enterprise] general manager's offices, located at the intersection of O'Higgins and Lincoyan Streets in Concepcion, a group of demonstrators called by the construction workers trade union staged a demonstration that was dispersed by the Carabineros, who used tear gas two blocks from the Enacar offices.

An hour later, incidents in which 12 women were arrested took place in Lota. Most of the women belonged to the committee of jobless women who worked for the PEN [Minimum Salary Program] and POJH [Employment Program for Heads of Families] programs, which were cancelled in December 1985. Moreover, a bomb went off in (Misegue), 9 km from Concepcion, on the road to Coronel, and several tire-puncturing devices were spread in the area. [end relay]

FINANCE MINISTRY REPORTS ON FOREIGN DEBT

PY190126 Asuncion ULTIMA HORA in Spanish 17 Mar p 10

[Text] One of the government's most noteworthy actions in the area of state financial administration is the policy it has continuously followed. This policy has been characterized by prudence in contracting loans with due regard to the commitments they entailed, the significance of economic and social development, and the importance of physical infrastructure projects. In most cases, it has been preferable to study the possibility of contracting foreign credits with international financial organizations in which our country was a member, especially with the IRDB, the IDB, and other institutions that grant credits suitable not only to our repayment capacity but also to the purposes for which the loans were contracted.

We have watched the policies of most of the other countries of the continent in this regard and have seen that they have contracted mostly suppliers credits, which have very rigid terms; namely short-term, high interest rates, and imperative requirements for the amortization of the principal and interest. Although the fact that the overall Latin American debt is approaching the $400-billion mark is serious, the situation is still more serious because the loans have been contracted on very rigid terms, thus creating troublesome difficulties for strict compliance with those commitments.

Fortunately, our country, which is not subject to these rigid credit terms, nor to the need to contract onerous loans, is normally meeting its foreign debt obligations. Therefore, no one should suggest that our foreign debt must be renegotiated, or that we should align in a common front with other Latin American debtor countries, or that we should join the Baker Plan, or that Paraguay is a problem country on foreign debt matters.

The country's foreign debt balance on 30 June 1985 was $1,732,600,000, which is $470 per person -- one of the lowest of the continent. The public sector's debt balance on the same date was $1,585,900,000, of which 43.6 percent belongs to the central administration and 56.4 percent to the decentralized administration. The central administration has used 66.1 percent of the loans, and has serviced the amortization of 18 percent of the used loans up to now. The decentralized administration has used 75.6 percent of the contracted loans, is carrying a debt balance of $894.9 million, and has serviced the amortization of 19 percent of the loans used.

The percentage breakdown of the foreign debt balance is as follows: decentralized administration 51.6 percent; central administration 39.9 percent; and private sector 8.5.

The national government will continue to adopt the necessary measures to maintain its policy of honoring all its foreign obligations.

BRIEFS

TELECOMMUNICATIONS AGREEMENT WITH JAPAN -- The General Manager of the National Administration of Telecommunications [Antelco], Colonel Francisco Feliciano Duarte, and the president of the Antelco Administration Council, Colonel Miguel Cirilo Guanes, on behalf of Antelco, and Fernando Watanabe on behalf of the Japanese NEC enterprise have signed an agreement aimed at adjusting the Antelco ground satellite station in Aregua to the new Intelsat-6 communications satellite. [Summary] [Asuncion EL DIARIO in Spanish 13 Mar 86 p 42 PY]

GARCIA RETURNS FROM ARGENTINA 16 MARCH

PY170220 Paris AFP in Spanish 0207 GMT 17 Mar 86

[Text] Lima, 16 Mar (AFP) -- Peruvian President Alan Garcia today arrived back in Lima after an official 3-day visit to Argentina at the invitation of Raul Alfonsin, his Argentine colleague. The Peruvian Air Force plane arrived at 2130 (0130 GMT) at the military base that is located near Jorge Chavez Airport. The chief of state was met by the first vice president, Senator Luis Alberto Sanchez and by Luis Alva Castro, the prime minister and economy and finance minister.

CENTROMIN WORKERS END STRIKE, RETURN TO MINES

PY181450 Paris AFP in Spanish 2307 GMT 17 Mar 86

[Text] Lima, 17 Mar (AFP) -- Fifteen thousand workers from the Central Peruvian Mining Enterprise [Centromin] today returned to work after a 19-day strike which, according to the authorities, caused a $19-million loss. Two weeks ago about 5,000 workers together with their wives and children started a 180-km march to Lima, but they were stopped by the police 45 km from this capital. Some workers then began a hunger strike on the spot.

The march participants returned today to the Centromin mines with transportation provided by the authorities, and advanced salary payments. The mines, located from 180 km east to 320 km northeast of Lima in the central mountain range, mainly produce lead, zinc, silver, and bismuth. The Centromin miners will receive a 42-intis increase per day, which is equivalent to $2.5. This agreement was reached after a meeting yesterday between Energy and Mines Minister Wilfredo Huayta and the miners at their roadside camp.

SUGAR INDUSTRY DELEGATION RETURNS FROM CUBA

PY151729 Lima Radioprogramas del Peru Network in Spanish 0300 GMT 15 Mar 86

[Text] A Peruvian sugar industry delegation has visited Cuba to discuss cooperation in the agricultural field and to study the advantages for Peru of diversifying the sugar industry. The delegation, which was headed by Senator Alfredo Santa Maria Calderon and made up of Deputy Wilber Placencia Pichen and agronomists from sugar industry cooperatives, has returned to Lima. Senator Santa Maria explained that the trip was made at the request of the Economy Ministry and that a report on its results will be submitted to Minister Luis Alva Castro.

IGLESIAS DISCUSSES NICARAGUAN BORDER PROBLEMS

PY071611 Paris AFP in Spanish 0226 GMT 7 Mar 86

[Text] Montevideo, 6 Mar (AFP) -- Foreign Minister Enrique Iglesias today warned that the installation of a peace keeping force along the Nicaraguan and Honduran border is not such an easy accomplishment and depends on the overall problem of peace in Central America. Iglesias, who with his Argentine, Brazilian, and Peruvian counterparts make up the Contadora Support Group, believes that it would be desirable to create that kind of force in that zone, but pointed out that that situation is much more serious than the border problem between Costa Rica and Nicaragua.

The foreign ministers of the Contadora Group (Colombia, Panama, Mexico, and Venezuela) and the Support Group decided 1 week ago in Punta del Este to establish a Civilian Commission for Observation, Prevention and Inspection along the border between Nicaragua and Costa Rica. Iglesias said that the Punta del Este decision is an important step toward resolving one problem but pointed out that while a peace keeping force is a possible solution, it will still take some time before a similar arrangement can be used at the Honduran-Nicaraguan border. Iglesias avoided a question about the statement made by Elliott Abrams, the assistant secretary of state for inter-American affairs, in which Abrams said that a solution in Central America will be found only by pressuring Nicaragua. Instead of answering the question, the foreign minister reaffirmed the Contadora Group policy. Iglesias added: The position of the Contadora Group and its Support Group is the only position we can believe and trust. It is the policy of negotiation and the one we are going to follow. In reference to the meeting of the Follow-up Committee of the Cartagena Consensus held simultaneously with that of the Contadora Group, Iglesias emphasized the responsible and firm nature of the regional mechanism created in 1985 to face the problem of the foreign debt. Iglesias denied that the Cartagena Consensus was organized in haste, and indicated that everyone believes that the costs incurred as of result of hasty organization could outweigh the advantages that such an organization could offer.

NICARAGUAN DEPUTY ON U.S. SUPPORT TO CONTRAS

PY181847 Paris AFP in Spanish 1342 GMT 18 Mar 86

[Text] Montevideo, 17 Mar (AFP) -- Nicaraguan FSLN Deputy Rogelio Ramirez stated here today that the counterrevolutionary forces fighting the Sandinist government become weaker every day and have no chance of defeating the Nicaraguan Regular Army. He added that the contras are totally defeated from a strategic point of view, although tactically they continue to be dangerous due to the intrinsic criminality of the Somozist guards. Ramirez is in Montevideo on a courtesy and goodwill visit, to make known among his Uruguayan counterparts the draft constitution which the Nicaraguan Government wants to submit to the population soon.

Referring to the $100-million aid project for the contras which is now being debated by the U.S. Congress, the Sandinist deputy said that he trusts the U.S. people will not allow their government to make them accomplices in a murderous adventure. Ramirez added that he does not fear a U.S. military intervention in Nicaragua, but he warned that if there is an invasion, the United States will choose that date to enter Nicaragua, but it will not be able to choose when to leave.

GUATEMALAN PRESIDENT ARRIVES FOR OFFICIAL VISIT

Proclaims Solidarity

PA180426 Paris AFP in Spanish 2237 GMT 17 Mar 86

[Excerpt] Caracas, 17 Mar (AFP) -- Shortly after arriving in Caracas on a 4-day [as received] official visit, Guatemalan President Vinicio Cerezo today proclaimed his solidarity with Venezuela's efforts to restore democracy on the continent. The Guatemalan head of state arrived at 2105 at the Maiquetia International Airport, located on the Caribbean coast near Caracas, where he was met by his Venezeulan counterpart Jaime Lusinchi. Today Cerezo began his third visit to Venezuela. He visited here recently as candidate and president-elect. After receiving the customary honors, Cerezo said: "I feel I am returning to my own land because here I have always felt as if I were in my own country." He recalled Simon Bolivar, stating that "The Liberator's idea was that Venezuela is the birthplace of freedom and a place for all those seeking freedom; I have experienced this myself." Cerezo added: "Bolivar's feelings inspire in others the idea that we live on the same continent and have the same feelings. I have come here with the conviction that I will find support and solidarity and to reassert my decision to contribute to the role that Venezuelans have taken upon themselves -- that of laying the basis to establish democracy." Finally, he said that "Venezeula is the birthplace and base of the liberators and democratizers of all Latin America."

Welcoming him, Lusinchi stressed his country's "advocacy of solidarity," recalled the troubles of the current times, and emphasized that "We continue to be forced to act collectively." Regarding Guatemala, he stressed that "The Armed Forces, the people, and your leadership (Cerezo's) made it possible to return to the exercise of their freedoms, to the exercise of their free will. To us, therefore, this visit provides an opportunity to strengthen our common ties, to join our voices and accents in addressing these same challenges," he added. "In Central America, a region common to all, peoples are awakening, and several of them, before and after Guatemala, have found the democratic path," Lusinchi said in conclusion.

While still at Maiquetia Airport, Cerezo received the keys to the city from Jorge Gomez Mantellini, president of the Caracas Municipal Council, and was greeted by Venezuelan political personalities and representatives of the diplomatic corps. He then left with Lusinchi for Miraflores Palace, headquarters of the Venezuelan presidents, where they held their first meeting at 2230 GMT.

Meets With Lusinchi

PA190019 Caracas Television Service in Spanish 1600 GMT 18 Mar 86

[Text] During the first meeting between Guatemalan President Vinicio Cerezo and President Jaime Lusinchi, the Central American president said that at a difficult time in the search for liberty, he has found in Venezuela a place to get inspiration. The visiting president was welcomed by his counterpart Lusinchi at the doors of the presidential palace. From the first moment, Vinicio Cerezo expressed satisfaction with the Venezuelan Government system and the welcome he has received. The Guatemalan president pointed out that Simon Bolivar's libertarian views have borne fruit and the people of Central America are awakening to find a democratic path.

[Begin recording] We are interested in Latin American relations, and we believe that Venezuela is the appropriate place because it has always advocated Latin Americanist unity. [end recording]

Views Reagan Contra Stand

PA190302 Paris AFP in Spanish 2223 GMT 18 Mar 86

[By Jorge Calmet Wagner]

[Excerpt] Caracas, 18 Mar (AFP) -- Ronald Reagan's battle to get the U.S. Congress to assist the Nicaraguan "contras" with $100 million has caused an impact during the visit to Caracas by Guatemalan President Vinicio Cerezo, who expressed his concern over the "polarization" of the conflict in Central America. "We feel that the United States should worry a great deal more about the opposition political groups inside Nicaragua," said Cerezo after receiving the greeting of the diplomatic corps accredited to Venezuela. "We are opposed to any type of confrontation formula and feel that we must make a very strong effort to lay the groundwork for a political dialogue," said the Christian Democratic Guatemalan president, who is promoting a summit of Central American heads of state to ward off a crisis. Cerezo declined to give an opinion on the attitude of President Reagan, who said he is a "contra," and unequivocally viewed the Nicaraguan problem within the context of the East-West conflict, in open contradiction to the Contadora Group (Columbia, Mexico, Panama, and Venezuela), which is trying to extricate it from that context and to find a Latin American solution for it.

"We feel that (Reagan's) position should be expanded to strengthen the political sector. A military solution may simply be a return to the past and would leave the Nicaraguan people without the possibility of adopting a decision of their own," Cerezo asserted. Nevertheless, Cerezo stressed that "Contadora has not failed" and "its role is vital because it is going to try to insist on a solution to the problem through dialogue, trying to acknowledge the importance of democracy and political pluralism in the search for peace." "We are going to support the Contadora process and will try to contribute whatever is necessary to find those political mechanisms," he added.

The Guatemalan president underscored another of his initiatives -- the creation of a Central American Parliament -- as "another political forum for the solution of the problems" in the Central American isthmus. After noting that he did not notice "a substantial change" in Reagan's position, Venezuelan Foreign Minister Simon Alberto Consalvi asserted that Contadora and the Support Group (Argentina, Brazil, Peru, and Uruguay) "will persist with the same faith in regard to understanding and the advisability of a negotiated and peaceful solution in Central America."

Consalvi remarked that "it would be naive to say that (Reagan's statements) are not worrisome. All inflexible positions on the crisis in Central America worry us and one of the goals of Contadora and the Support Group is precisely to persuade those who hold opposing stands, whether it is the United States or any other country in the region."

On Monday evening, Venezuelan President Jaime Lusinchi evoked this situation when decorating Cerezo with the Grand Collar of the Order of the Liberator, Venezuela's highest decoration. Lusinchi noted that "various elements have conspired against detente and the search for native solutions to the Central American conflict" and said "we know that the sovereignty in your (Cerezo's) political decisions is a factor essential to Contadora's and the Support Group's purposes." Lusinchi asserted that Contadora and the Support Group represent over 90 percent of the Latin American population and seek to reserve for Latin America the right to solve its own problems "without any foreign maneuvers of any ideological hue [signo] that would make us turn away from our true aspirations and our destiny as free peoples." "All of us are counting on Guatemala's contribution to struggle for peace in Central America on the basis of Latin American opinions and solutions," the Venezuelan president said.

ENERGY SECRETARY OIL POLICY FOR OPEC SESSION

PA190044 Mexico City XHDF Television Network in Spanish 1955 GMT 17 Mar 86

[Text] Francisco Labastida Ochoa, energy, mines and parastate industry secretary, has said that Mexico will always defend its interests. He said this just before he left today for Geneva, Switzerland, to attend an OPEC meeting.

Labastida Ochoa said that Mexico will not reduce its oil exportation platform because the oil industry in Mexico belongs to the people, and any decision concerning the oil industry must always suit the people's interests. He later said that as an independent country, Mexico has to defend its interests, which it has been doing under President Miguel de la Madrid Hurtado's guidance. Labastida Ochoa said that OPEC's meeting should yield positive results, which should benefit the industrialized countries and also the underdeveloped ones.

OPEC's ministerial meeting was suspended a few hours after it opened today to give the technical committee more time to complete its report on the oil market situation. A recess was called until tomorrow, when the technical committee should have ready its report on which OPEC plans to base its policy for the next quarter.

Meanwhile, OPEC President Arturo Hernandez Grisanti of Venezuela said that the ministers will be holding an informal meeting this afternoon to try to reach some agreements before resuming their deliberations tomorrow.

According to observers, the ministers are trying to reach some consensus which at this moment seems somewhat difficult to obtain. Five countries that are not members of the OPEC -- Mexico, Egypt, Malaysia, Brunei and Oman -- will participate in the deliberations this Wednesday as an act of solidarity with OPEC and also to support the joint defense of oil prices.

PEMEX REPORTS $10-BILLION SURPLUS IN 1985

FL190226 Mexico City NOTIMEX in Spanish 0050 GMT 19 Mar 86

[Text] Mexico City, 18 Mar (NOTIMEX) -- Pemex had a surplus of 4 trillion pesos (about $10 billion) last year, Pemex Director General Mario Ramon Beteta has reported. When he presented a report on his work as Pemex director general, the official said that in 1985 Pemex paid 3.7 trillion pesos (nearly $9.25 billion) in taxes, 2.7 trillion [pesos] as taxpayer [causante] and nearly 1 trillion as withholding agent [retenedor].

Beteta explained that the foreign exchange received from the sale of oil totalled $15.15 billion, which was 9 percent less than in 1984. The drop in foreign exchange income, he said, was compensated by smaller dollar expenditures; he added that Pemex used 12 percent of its income to cover its operating and investment expenses and 18 percent to pay for servicing its debt. The remaining 70 percent, he said, was available for the other economic activities of the country.

He said the instability of the world oil market was greater in 1985, therefore in June 1985 Pemex exported only 783,000 barrels daily and closed the first semester with an average of 1,337,000 barrels daily.

Pemex then established differential prices for the different continents, he said, and increased exports during the second semester. The daily average for the year was 1,438,000 barrels.

DE LA MADRID PROMOTES NEW EXPORT PROGRAM

PA190023 Mexico City XEW Television Network in Spanish 1300 GMT 18 Mar 86

[Text] Mexico can resume the financing of its economic growth without resorting to the income obtained from its oil, said President De la Madrid yesterday during the installation of the new board of directors of the National Foreign Trade Bank. De la Madrid said that we should take advantage of the drop in the oil prices on the international market to develop a new export program.

We must realize that we are not going to be getting the same high prices for our oil as in former years, nor can we depend on more foreign loans which will also increase our indebtedness, President De la Madrid said. He insisted that every sector in the country must participate in the solution of the crisis. De la Madrid referred to a series of measures aimed at promoting exports.

Commerce Secretary Hector Hernandez Cervantes gave some details regarding the measures ordered by President De la Madrid to promote exports. Some of the measures are: to adjust the exchange control system favorable to exporters; to encourage the use of credit lines available from foreign banks; the financing sector will cooperate with 2.2 billion pesos for an exportation program; to reduce or abolish taxes that are hindering exports; to permit the association of national enterprises with foreign investors; to abolish legal and administrative red tape; to modernize air and sea transportation and port services.

Commerce Secretary Hernandez Cervantes said that with these measures local exporters and supplies should obtain the same benefits as their competitors abroad.

Hernandez Gives Details

PA181932 Mexico City XHDF Television Network in Spanish 0300 GMT 18 Mar 86

[Text] The government of the Republic has implemented several actions to promote the same of nonpetroleum products. These measures respond to the government's commitment to make a structural change in the economy in order to improve its foreign trade. These actions were announced by Commerce and Industrial Development Secretary Hector Hernandez Cervantes at the installation of the board of directors of the National Foreign Trade Bank.

Hernandez Cervantes announced 18 points which include the following actions: support will be given to enterprises with a background in export and, for this, promoters that respond to the needs of the enterprises they are assigned to will be appointed; the creation of foreign trade enterprises will be promoted and the participation of chains existing in the local market will be sought; and tax refunds will be made to exporters who will receive the zero-rate application in indirect taxes such as the value added tax.

Other points mentioned by Hernandez Cervantes are the following: 2.2 billion pesos in credits will be granted to exporters this year and they will also get $500 million from the World Bank and the IDB; indirect exporters will get a domestic letter of credit to cover their import costs; and there will be facilities for the use of foreign exchange of exporters.

[Begin recording] Adjustments will be made to the exchange control system in order to make a distinction in favor of exporters which consists of allowing them to apply up to 100 percent of the foreign exchange they earn from their exports to pay for advances made toward future imports without any limits or guarantees. [end recording]

These facilities include the following: Exporters will be able to make deposits in foreign exchange at local banks and will be able to earn interest rates that are equivalent to those used for deposits in Eurodollars for a monthly period. The handling and withdrawal of these deposits may be made without any conditions.

For his part, Finance Secretary Jesus Silva Herzog said that it was never more necessary to promote the competitiveness of local industries and the incorporation of Mexican products into the world's markets.

PRESIDENT URGES 'INTERNAL REFORM' OF PRI

PA181157 Mexico City THE NEWS in English 12 Mar 86 p 1

[Text] Calpulalpan, Tlaxcala -- President Miguel de la Madrid Tuesday issued a direct call for further internal reform of the ruling Institutional Revolutionary Party [PRI], saying that the nomination process of PRI candidates should be democratized "so the candidates put forward are those that win with the majority support of their own party."

The president, speaking to an audience of local PRI leaders, warned that making the PRI's internal processes more democratic is essential for it to remain Mexico's majority party. "Democratizing (the party) is strengthening it," De la Madrid said. "A strong state must not be an authoritarian one but a deeply democratic and popular one."

The PRI, facing perhaps the strongest electoral challenge of its 57-year history in gubernamental elections later this year, has been involved in considerable internal debate over the best way to preserve the party's electoral dominance. The president, on a work tour of this small state to the east of the capital, offered Tlaxcala as a successful example of internal reform in the PRI's candidate selection process. The results of recent municipal elections, he said, "show the political talent of our party and its ability to adapt to change." "The advances that you have achieved should be broadened and deepened," he urged, "so that the municipality becomes the basic cell of our system of government and of the daily practice of democracy."

The president reiterated the theme of the nation's strength in the face of adversity, attributing the Mexican people's capacity to overcome hardships to the forging early on of strong nationalistic beliefs. Mexico, he said, "is a relatively weak country compared to the great power to the north, and because of this we have refined our sense of nationalism and independence -- perhaps more so than other countries like ours but which have not had to face the same challenges throughout their history."

On his tour of the state, De la Madrid dedicated public works projects worth 30.29 billion pesos, including educational facilities, two industrial plants, a general hospital and a renovated Tlaxcala national airport. In the rural district of Apizaco, De la Madrid delivered 5,000 certificates of agrarian rights and 50 tractors, while inaugurating an agricultural development program involving the granting of 190 million pesos.

REPORTAGE ON LABOR CODE CHANGE, STRIKE, VIOLENCE

Plan To Suspend Rights Denied

PA181436 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Mar 86 p 1

[By Octavio Carrasquilla]

[Text] Minister of Government and Justice Rodolfo Chiari de Leon has emphatically denied that the national government would suspend individual constitutional rights should the disturbances of the past few days, motivated by the Legislative Assembly's discussion of proposed amendments, continue in Panama City. Minister Chiari explained that the national authorities will take any measures necessary to control any incidents or any kind of public demonstration that disrupts the normal order in Panama City or in any other part of the country. However, at no time had they intended to suspend constitutional rights, because there is no state of emergency. The rumors of the suspension of the constitutional rights were allegedly spread by opposition members in order to continue creating chaos, concern, and national instability. Thus Panamanians would remain in a state of anxiety and the opposition could then promote its subversive plans and disrupt the peace in our nation.

President Approves Amendments

PA181944 Panama City Televisora Nacional in Spanish 0000 GMT 18 Mar 86

[Text] President Eric Arturo Delvalle approved the law amending the Labor Code at the Presidency this afternoon. He sent the law to the official gazette for publication. As soon as it is published, the law will go into effect throughout the territory as a new law of the Republic.

Arnulfo Arias Urges Protest

PA181714 Panama City LA PRENSA in Spanish 18 Mar 86 p 1

[Text] Former President Arnulfo Arias told LA PRENSA yesterday that "the amendments that the government, born of fraud and controlled by the military, wants to impose on us will not resolve the country's problems nor reactivate its economy." The Authentic Panamenist leader said that "the solutions to the country's problems can come only from a legitimate government truly backed by the people." He said: "Panamanians interested in the country's recovery and seeking to reestablish democracy and freedoms should support actions staged by democratic political parties, people's groups, and other sectors struggling against the military leadership."

Bomb Defused; Others Explode

PA181424 Panama City EL SIGLO in Spanish 18 Mar 86 pp 1, 23

[By Jorge Calvo]

[Text] Giving continuity to the increasing atmosphere of instability that is gradually threatening social peace in our country, another time bomb was discovered yesterday afternoon at the Gago Supermarket on Brazil Street.

Defense Forces Sergeant Rios discovered the bomb. He immediately took preventive measures and reported his discovery to the authorities. Specialized units of the G-2 Security Corps arrived at the supermarket and managed to defuse the explosive device, thus preventing any accident or mishap. Supermarket customers grew nervous as a result of the incident. It was reported that the defused bomb contained a clock and more than 3 pounds of active gunpowder. G-2 members are analyzing the explosives in their laboratories while investigations continue in various parts of the country in search of the culprits of this terrorist action.

Less than 48 hours ago, another bomb of the same kind (pipe bomb) exploded in the El Machetazo Store, causing an employee to lose one of her arms. Also, last weekend, other bombs exploded in El Pote Restaurant in the Obarrio Gallery Shopping Center and on the first floor of the Controllers Office building. Unofficially, there were reports of two other bombs in the El Dorado Shopping Mall and a bank in San Francisco neighborhood.

Noriega, Conato Leaders Meet

PA182000 Panama City ACAN in Spanish 1935 GMT 18 Mar 86

[By Rolando Raul Rodriguez]

[Excerpt] Panama City, 18 Mar (ACAN-EFE) -- On the 9th day of their strike, the members of the National Council of Organized Workers (Conato), the country's largest labor organization with 120,000 members, are maintaining their position of continuing a strike to protest the government's new economic guidelines. After being approved by the Legislative Assembly, Panamanian President Eric Arturo Delvalle signed the amendments to the Labor Code yesterday.

While this was happening, Conato leaders met with General Manuel Antonio Noriega, commander in chief of the Defense Forces, and other military officers, a union leader told ACAN-EFE today. According to the same source, the military chiefs warned that if the labor code amendments are not implemented, the government will have to dismiss 45,000 government workers. Nevertheless, Conato requested that Panama "break" with the IMF and "that a formula be sought to solve the problem," the union leader, who asked not to be identified, stated.

Conato Stages March

PA190032 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Mar 86

[Text] Conato again staged a march this afternoon to ask the government to repeal Law No 46 on amendments to the Labor Code. Meanwhile, the Trade Union of Panamanian Industrialists has stressed that if the law on incentives is approved it will be catastrophic for Panama's economy. In Changuinola, it has been reported that the union of banana workers in that area of Bocas del Toro Province will resume work tomorrow at 0600.

New acts of vandalism took place late this afternoon on Central Avenue, beginning near the Piccolo store in the Calidonia area and moving to the 5th of May Square. A large number of stores and other businesses were virtually ransacked a few minutes ago, after the end of the workers' march. According to reports, bands of children, young people, and some elements not connected with the march smashed store windows and furniture and took clothing and electrical appliances.

Until a few minutes ago the situation was a great source of concern for businesses on Central Avenue, as there is no surveillance to curb the vandalism. Unruly mobs have seized the area and caused serious losses to the business sector.

Situation 'Normalizing'

PA181952 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Mar 86

[Text] As Conato's strike loses considerable force, the situation in the capital and the rest of the country seems to be normalizing. A large number of industries are operating, and businesses are operating normally under close supervision. The labor reforms, the focus of the conflict, have already been approved by the executive branch, and the proposed law that introduces new rules for the industrial sector has been approved in second debate and today will be discussed in a third debate in the Legislative Assembly. Public transportation has continued to flow, and fuel service has normalized.

In the interior, specifically in Bocas del Toro, banana exports are being carried out, although at half capacity. Meanwhile, in Chiriqui, the banana strike in Puerto Armuelles is in its 16th day today, with no short-term solution in view. The situation is very critical in that area, and all responsible people in the Chiriqui region are demanding a speedy solution to the conflict, which is being prolonged because of the intransigence of the unions, which are demanding better wages from the Chiriqui Land Company. However, their demands are unrealistic and threaten the company's financial stability.

President Eric Arturo Delvalle has called on the workers in general to stop and think, so as to avoid an economic catastrophe in the region, similar to the one that occurred in Costa Rica last year when the banana company left that country, leaving behind chaos, misery, and desperation.

CABRERA: NO REQUEST RECEIVED FOR MARCOS ASYLUM

PA190101 Panama City Televisora Nacional in Spanish 0000 GMT 19 Mar 86

[Text] Deputy Foreign Minister Jose Maria Cabrera has issued a statement concerning an alleged request to Panama for asylum from former Philippine President Ferdinand Marcos:

[Begin recording] Regarding an alleged request from former President Marcos to the U.S. Government for help in obtaining asylum in some country -- including Spain, Mexico, and Panama -- we have not received any request from the United States in this concern. I think that if a request is received it will be studied, and the corresponding reply will be given. [end recording]

CHILEAN ATTEMPTS HIJACKING, FACES EXTRADITION

PA190049 Panama City Televisora Nacional in Spanish 0000 GMT 19 Mar 86

[Text] Panamanian authorities at the Omar Torrijos Herrera International Airport have arrested Luis Ralph Hernandez, a Chilean who apparently tried to hijack a Canadian Pacific Air DC-10 from Canada en route to Peru. The aircraft, with 281 passengers and 13 crew members, made an emergency landing in Panama City due to Hernandez' violent actions. He tried to break into the cockpit and insulted and struggled with the passengers. Panamanian authorities have begun procedures to extradite Chilean citizen Luis Ralph Hernandez.

COSTA RICA

ANTI-SANDINISTS ARRESTED ON NORTHERN BORDER

PA181626 Panama City ACAN in Spanish 1915 GMT 15 Mar 86

[Text] San Jose, 15 Mar (ACAN-EFE) -- It was officially reported today that seven anti-Sandinists were arrested by Costa Rican civil guardsmen near the border with Nicaragua. The arrests were made in Ciudad Quesada, 150 km north of this capital, in a joint operation of the Rural Police and the Intelligence and Security Directorate [DIS].

According to reports from police sources, those arrested were five Nicaraguan and two Costa Rican anti-Sandinists travelling in a Costa Rican-registered rural vehicle. They were not carrying firearms. The authorities identified the Nicaraguans as Rodolfo Gomez, Jose Gonzalez, Julian Sevilla, Ramon Angulo, and Victor Manuel Perera and the Costa Ricans as Eugenio Ramon Florez and Jose Luis Chaverri.

Rural Guard and DIS spokesmen said that this group may belong to the ARDE forces fighting under the leadership of Eden Pastora in southern Nicaragua. They added that these people were probably headed for San Jose where Sevilla, who had a bullet wound in one of his legs, could receive medical treatment. Sevilla was taken to Ciudad Quesada's hospital for medical treatment, while the other six were taken to the city's jail, where they remain in the custody of the DIS.

DIS sources said that last month Costa Rican authorities arrested some 60 people who have been linked to the "contras." They also confiscated four vehicles. On 22 February Alvaro Cermeno Castillo, known as Commander "Tadeo," was arrested. Until a year ago he fought under Pastora in southern Nicaragua, and he is still in the Ciudad Quesada jail, accused of illegal weapons possession. On 10 March DIS and Rural Guard authorities arrested a group of 12 people with military equipment in the Nicaraguan border area. They were believed to be linked to an anti-Sandinist organization. Ten "G-3" machine guns, a 45-cal "Browning" pistol, a "BZ" pistol, fatigue trousers, hammocks, ammunition-carrying vests, backpacks, radio communications equipment, and gunbelts were seized from this group.

EL SALVADOR

IMMIGRATION TO REQUIRE REBEL SAFE-CONDUCT

PA180148 Panama City ACAN in Spanish 0038 GMT 19 Mar 86

[Excerpt] San Salvador, 17 Mar (ACAN-EFE) -- The Salvadoran immigration authorities said today that they have issued instructions to prevent the entry into the country of a guerrilla delegations unless they have a safe-conduct issued by the government.

Rene Garcia Araniva, immigration director, said that he has issued instructions to the immigration offices in the international airport of El Salvador and at border checkpoints to prevent the guerrilla delegates from entering the country.

According to a local evening newspaper report, representatives of the FMLN-FDR announced last week that during the course of this week they would enter the country to give Archbishop Arturo Rivera y Damas the practical-operational mechanisms for the third dialogue meeting.

Araniva said that if the "extremists" do not bring their respective safe-conducts granted by President Jose Napoleon Duarte they will not be allowed to enter the country.

The rebel delegation will also discuss with the prelate the truce for Holy Week requested by the church and accepted by the rebels.

SECURITY MINISTER ON TALKS WITH GUERRILLAS

PA180153 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 17 Mar 86

[Interview with Public Security Minister Colonel Carlos Revnaldo Lopez Nuila by Arnoldo Batres; date and place not given -- live or recorded]

[Text] [Batres] What is your opinion regarding guerrilla spokesmen coming to El Salvador to meet with Msgr Rivera y Damas to find, they claim, a new route that will lead them to a new dialogue with the government of Jose Napoleon Duarte in the search for peace, according to statements by Ruben Zamora to YSKL from Nicaragua? We would like to know your opinion as our public security minister.

[Lopez] Thank you for this opportunity to address the Salvadoran people. Regarding this question, we must recall that the FMLN-FDR leaders are criminally responsible for all crimes committed in El Salvador, so when they enter El Salvador to participate in any negotiation in their condition as representatives of the terrorist organizations, they are doing so protected by a safe-conduct granted by the government. However, at this time they do not have safe-conduct, the president has been clear. He said that the opportunity to resume a dialogue is proposed in such a way that it must be simultaneous between the forces opposing the Marxist regime in Nicaragua and the regime in power, and between the Salvadoran terrorist organizations and the constitutional Government of El Salvador.

Thus, we must clearly understand that none of these leaders of national terrorism can come to this country nonchalantly, without being immediately captured, because there is a permanent arrest warrant against them in view of the enormous criminal record they have accumulated throughout the years.

[Batres] We would also like to know your view on the new transporation stoppage announced by the rebels on the country's roads. This will be the third transporation stoppage in 1986 aimed at stopping cargo and the passage of private vehicles, as well as buses, on all routes throughout El Salvador.

[Lopez] This is another attitude, or one more attitude, that goes against the human rights of the Salvadoran people. This clearly shows that the gentlemen of the terrorist organizations have firmly and definitely declared war on the Salvadoran people. We must understand these kinds of activities in this context, because the people who are hurt by this kind of situation are precisely humble Salvadorans who must travel from one place to another because of work, family, health, or other reasons. I also want to note that these stoppages continue to lose their effect because we can offer greater guarantees to the Salvadoran people and, at the same time, the people have shown that they are upset and tired of this careless attitude by the leaders of the terrorist organizations.

[Batres] Philip Habib, Mr Reagan's ambassador to Central America who visited us recently, said that he agrees with Duarte's idea that before talking with the Salvadoran rebels there must be a dialogue between those who fight the Nicaraguan regime and the authorities there. What is your view of this?

[Lopez] I think that is fundamental in the Central American problem: So long as there is a Marxist regime in Nicaragua there can be no peace in El Salvador. We cannot get our hopes up that we are going to talk with these gentlemen and that we will reach an agreement so long as there is a regime in Nicaragua that is constantly -- because of its activities as terrorists -- exporting evil and terror to neighboring countries. We must be clear that any peace solution for Central America must go through the solution of restoring democracy in Nicaragua.

[Batres] If there is something we forgot in this interview, this is your opportunity to tell the thousands who listen to YSKL, the nation's top radio station.

[Lopez] No, I just want to thank YSKL for this opportunity to address the listeners of El Salvador. I am also a YSKL listener and precisely because of the constant activity carried out by the stations the Salvadoran people are kept informed.

FMLN STOPPAGE REPORTEDLY 'WORST FAILURE'

PA182202 San Salvador EL MUNDO in Spanish 17 Mar 86 p 3

[Excerpts] San Miguel -- The transportation stoppage on the country's highways, which has been holding up all related activities for the last 6 days, was lifted yesterday by the FMLN General Command, according to a broadcast by the clandestine Radio Venceremos; this was confirmed by the rebels who talked with the drivers at various roadblocks in this eastern zone. Both Radio Venceremos and the guerrillas deployed on the highways said that the 6-day stoppage was decreed by the FMLN in rejection of the Duartist government's packaged swindle. In addition, Colonel Miguel Antonio Mendez, commander of the 3d Infantry Brigade in this city, said that the stoppage represents one of the FMLN guerrilla organization's worst failures, and its effects were negative because the people never stopped working and continue to be closely united -- not to destroy but to help each other and carry out their work without meddling in politics.

Throughout the 6-day stoppage, the guerrillas set up roadblocks. They strafed a taxi at the Pan-American Highway, instantly killing the driver and one of the two passengers he was carrying to Mercedes Umana. The attack was carried out near Villa El Triunfo, at the place known as Vueltas de la Herradura. The rebels also intercepted a few vehicles, which they parked across the highways, and punctured their tires, both in the areas of San Miguel and San Vicente. The Armed Forces worked actively during this time, patrolling the highways to provide as much protection as possible and to guarantee the circulation of vehicles, which was 90 percent paralyzed, particularly public transportation.

FDR-FMLN COMMUNIQUE ON DUARTE DIALOGUE STAND

PA182006 (Clandestine) Radio Venceremos in Spanish to El Salvador 1921 GMT 18 Mar 86

[Communique issued by the FDR Executive Committee and the FMLN General Command on 17 March -- read by announcer]

[Text] Declaration of the FDR-FMLN:

1. On 4 March 1986 Napoleon Duarte expressed a willingness to resume the dialogue with our fronts on the condition that the Nicaraguan Government also agrees to talk with the mercenaries supported by the United States who are attacking that brother country from abroad.

On 6 March our fronts stated that they were willing to resume the dialogue immediately and told Msgr Rivera y Damas that a delegation would visit him the following week to discuss aspects of the resumption of the dialogue. In the face of our announcement, Duarte threatened to detain the FDR-FMLN delegates. Meanwhile, we were waiting for the government's official position through intermediaries. On Saturday, 15 March, Msgr Rivera y Damas, in compliance with the FDR-FMLN proposal, met with Napoleon Duarte to learn about his official decision regarding the resumption of the dialogue. Duarte's response was negative, and he reiterated his threat to incarcerate our delegates.

2. Duarte again eliminated the possibility of resuming the dialogue, which was interrupted on 30 November 1984, thus showing his lack of willingness to find a political solution for the internal conflict through dialogue and negotiations. His announcement was a demagogic and propagandistic recourse within the framework of the Reagan administration's campaign against Nicaragua to obtain U.S. congressional approval of $100 million for Nicaraguan mercenaries. Therefore, this announcement is a mockery of our people and an offense to the governments and personalities working for a political resolution of the conflicts of the region.

3. This Duarte maneuver is occurring at a critical moment in the country's history, characterized by the recent rejection by various sectors of society of the government's economic and social policy and the search for new alternatives to resolve the country's crisis aggravated by the current administration. In this context and in view of Duarte's intransigence, what will happen is that the war will continue with more intensity and become more widespread, and the intervention of the U.S. Government in the country's domestic affairs will increase even more.

4. The FDR-FMLN also expressed their willingness to discuss the request made by the San Salvador archbishop to put a military truce between the government and our fronts into effect for the Holy Week period. However, it has been proven that Duarte does not want even to discuss the proposal made by the Salvadoran Catholic hierarchy.

5. In conclusion, our fronts reiterate their willingness to continue making efforts to strengthen the dialogue among all Salvadorans fighting for peace. We are convinced that the national dialogue and the construction of a patriotic consensus among the various economic, political, and social sectors will bring us closer to a resolution of the national crisis. Today Duarte and his party have decided to exclude themselves from this great effort of the majority of Salvadorans.

FMLN DENIES CONNECTION TO CAPTURED BUS

PA190354 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 18 Mar 86

[FMLN communique issued in El Salvador on 17 March -- read by announcer]

[Text] We have heard the reports on a bus that was allegedly transporting weapons, found in Colomoncagua, Honduras. Regarding this, the FMLN believes that it is important to warn international public opinion because such incidents most certainly represent a farce staged by the Honduran Army and the Central Intelligence Agency, CIA, aimed at:

1. Accusing Nicaragua of providing logistical support to the FMLN in order to get the approval for the aid to the Nicaraguan counterrevolutionaries from the U.S. Congress.

2. Involving Salvadoran refugees in Colomoncagua and forcing them to move from the border area to use this area for military intervention in El Salvador. These refugees have been under constant pressure and repression.

In view of the above, the FMLN hereby denounces the clumsy farce staged by the Honduran Army and rejects all charges against our front. We call on the press to demand proof and unmask this new farce. We hold the Honduran Army responsible for any repressive actions against the Salvadoran refugees as part of this maneuver.

[Signed] FMLN, 17 March 1986

GUATEMALA

HABIB, CEREZO DISCUSS REGIONAL SITUATION

PA190046 Guatemala City EL GRAFICO in Spanish 14 Mar 86 p 2

[By Jose Masariego de Leon]

[Text] Guatemala, 14 Mar -- Dr Philip Habib, the new White House special envoy to Central America, and Guatemalan President Vinicio Cerezo Arevalo met last night for approximately 1 hour at the Presidential House, to analyze the area's problems and bilateral relations between Guatemala and the United States. Habib arrived in the country yesterday afternoon from Tegucigalpa, Honduras. There he met with Honduran President Jose Azcona.

Wearing an elegant gray suit, Ambassador Philip Habib arrived at the Presidential House a little after 1930. He was met by President Cerezo and Deputy Foreign Minister Francisco Villagran de Leon in the Maya Room. Following an hour-long meeting, President Cerezo and Ambassador Habib walked out into the Presidential House's hallway. They gave brief statements to local and foreign reporters.

"I am on a fact-finding tour in Central America, to explore the area situation," Habib said. He remarked that "he harbors the hope that a negotiated solution to the Central American problem may be found, so as to share peace, democracy, and security in the hemisphere."

As he has done in other Central American countries, Ambassador Habib said that "the United States will continue to support the Contadora Group initiative."

Moreover, President Cerezo stated that the talks with the White House's roving ambassador "were informal", noting that "no specific points were discussed." Cerezo noted that the Guatemalan and U.S. Governments are interested in finding adequate solutions to the Central American problems. He then added: "We have welcomed Philip Habib as the new ambassador."

Reagan's special envoy said that after meeting with Cerezo "he has a better understanding of his viewpoints regarding the Central American problems." In his first visit to the region, Habib has visited El Salvador, Honduras, and Guatemala. He is not planning to visit Nicaragua, although he said "that his government believes in dialogue as the means to solve any sort of problem that could lead to a serious situation for the area countries."

COSTA RICAN PRESIDENT-ELECT ARRIVES ON VISIT

PA190001 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Mar 86

[Text] Costa Rican President-elect Oscar Arias has said with regard to the Central American conflict that his country will maintain a neutral position. He also said that U.S. aid to the anti-Sandinists in Nicaragua is a domestic matter of the United States.

[Begin recording, in progress] [Arias] ...the same one of the current government. We were the first in Central America to speak of neutrality and as perhaps the oldest democracy in Central America to express the desire to seek a negotiated and political solution to the problems of our region. As civilized peoples, we have to find a solution to the existing disagreements at the negotiating table and not through [words indistinct] along with Guatemala we want to maintain that neutrality.

[Unidentified reporter] You are being severely criticized by some U.S. conservatives in view of your (?opposition) to the aid to the anti-Sandinists. You have apparently changed your position. What is your position on this aid to groups that struggle [words indistinct].

[Arias] I do not want to go into this because this is a domestic matter of the United States where there will be a vote on 19 March . [date as heard] You already know my position. It is not a new position. (?Our policy) falls under the banner of peace for my country and Central America, and I have only been consistent with that policy.

[Reporter] [Words indistinct] end the aid to the anti-Sandinist groups?

[Arias] I already....[changes thought] It is not that it should disappear. As I said, that is a decision entirely up to the North Americans. What I said on that occasion was that I would have preferred if that aid were channeled in economic help to the peoples who need it such as Guatemala, El Salvador, Honduras, and Costa Rica. I am not adding anything new. I have said this repeatedly. [end recording]

Shortly after his arrival at the military airport, Costa Rican President-elect Oscar Arias left the installations followed by several vehicles that joined the official retinue.

GEN GRAMAJO SAYS GUERRILLAS LOSING GROUND

PA182207 Guatemala City EL GRAFICO in Spanish 16 Mar 86 p 3

[Excerpt] Guatemala City, 16 Mar -- General Hector Alejandro Gramajo, chief of the Army General Staff, has stated that the guerrillas are experiencing problems now that a democratically elected government has been installed, because the government is more identified with the people's needs. He added: "The guerrillas, however, are still belligerent, but the Army is prepared to fight them, and the democratic government has removed their raison d'etre."

Gen Gramajo also said that some subversive groups still operate constantly in some remote areas of the country and that they terrorize people by taking advantage of the regions isolation. He added that no reports have been received about the existence of subversive activities in the area of the Chixoy River hydroelectric plant. He explained that all these activities are aimed at the country's economic infrastructure to provoke economic problems.

He said that oil activities are a target for the subversives. The Army, however, has been vigilant, and the guerrillas have not been able to operate in this region. He stressed that no subversive actions have occurred at the oil well sites, only near them.

Gen Gramajo said that the Army has always prevented any damage to oil production because oil production and prospecting must continue for the nation's economic growth. For this reason, these activities will rely on the Army's protection.

URNG GUERRILLAS ON RECENT MILITARY ACTIONS

PA162211 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 Mar 86

[Text] Here is a guerrilla report from Guatemala. The report sent by our brothers in the URNG reads as follows:

Captain Androcles Hernandez Northern Region: At 1800 on 7 March a guerrilla unit of the Commander Marco Antonio Yon Sosa Column of the Mardoqueo Guardado Front occupied the La Esperancita del Rio village located on the northern crossroad in Alta Verapaz. A meeting was held with those present, and after 1 and 1/2 hours our forces withdrew without any problem.

Meanwhile, at 1400 on 9 March, a guerrilla unit of the Jacobo Arbenz Guzman Column of the Luis Francisco Toltov Front occupied the Peru archeological site located in Paso Caballos, San Andres Peten, where a meeting was held with the personnel. The occupation lasted 2 hours during which a 22-cal rifle was seized. After the action, our units withdrew without any problem.

At 0730 on 11 March units of the same column occupied a village on the banks of the Salinas River and held a meeting with the population. After 1 and 1/2 hours, our unit withdrew without any problem.

All of these actions are being carried out within the framework of our political-military operation "In Face of Reactionary Maneuvers, the Revolutionary Truth."

This is the information sent to us from Guatemala by our brothers in the URNG.

HONDURAS

'CONCERN' VOICED ON POSSIBLE CONTRA AID CUTOFF

PA190122 Panama City ACAN in Spanish 0030 GMT 19 Mar 86

[Text] Tegucigalpa, 18 Mar (ACAN-EFE) -- The Honduran Government today expressed concern over the possibility that the U.S. Congress may deny President Reagan's request for approval of $100 million for the anti-Sandinist groups. "It is a delicate matter that we have approached very seriously for the past several months with several governments," Foreign Secretary Carlos Lopez Contreras said after a meeting with ranking Armed Forces officers.

Among participants at the meeting were General Humberto Regalado Hernandez, commander in chief of the Armed Forces, police commander Colonel Wilfredo Sanchez, and other military chiefs who were not named.

Ronald Reagan is facing considerable opposition in Congress for approval this week of a donation of $70 million in military aid and $30 million in "humanitarian" aid for the "contras."

"The case is very delicate" -- the foreign secretary explained -- "and it is not easy to discuss it in detail immediately; a great deal of diplomacy is required, as well as persuasion and a high degree of common sense."

The Honduran foreign secretary's statements are the first since Reagan's speech last Sunday, which defended the need to grant the $100 million to the "contras." George Shultz, U.S. secretary of state, and Defense Secretary Caspar Weinberger recently said that Honduras "will no longer be an obstacle" to the delivery of aid to the "contras," who have their basis of support in Honduran territory, although the government officially denies this. In this regard Foreign Secretary Lopez Contreras said that in the United States "men become very enthusiastic when internal political issues are discussed that concern other nations."

Shultz' and Weinberger's statements were described by the foreign secretary as "simple differences of opinion."

"The topic of economic support for the Nicaraguan rebels for their continued operations has a connotation that leans more toward party policy than international policy," Lopez Contreras said. Lopez Contreras later added that it should not be surprising to hear such statements in support of an internal cause, and these statements were not intended to contradict an official or a foreign government.

MONTOYA DISCUSSES AREA PROBLEMS, NICARAGUA

PA172358 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 17 Mar 86

[Interview with National Congress President Carlos Orbin Montoya by Jose Emilio Soriano; date and place not given -- recorded]

[Text] [Montoya] Oscar Arias is a politician who has struggled for many years, and the Presidency of the Republic of Costa Rica represents -- in his case -- the culmination of an effort for which he prepared many years ago. He will be a great president, like others Costa Rica has had, and he is interested in Central American solidarity and the search for peaceful solutions to problems in the region. Consequently, he will further support President Azcona's position concerning the search for peaceful solutions to regional problems.

[Soriano] Doctor, did you discuss the so-called counterrevolutionaries that Costa Rica suspects are operating in its territory?

[Montoya] These topics are always discussed, so we are very interested in quick solutions. The constant presence of armed movements in our country always provokes unrest and concern, and this has dramatic economic and social effects. Consequently, we want to attain a quick solution.

[Soriano] What is your opinion of the statement issued by the president-elect of Costa Rica when asked about his view of the appointment of Philip Habib as new roving ambassador to the Central American area?

[Montoya] Well, I think that we agree, because it proves that negotiations are advocated. It seems that great pressure will be exerted, but there will be a possibility of attaining a negotiated solution. We advocate peaceful solutions.

[Soriano] What is your opinion of the fact that Habib has been appointed roving ambassador while President Reagan continues to exert pressure concerning the $100 million in aid for the contras?

[Montoya] This is [word indistinct]. On one hand, strong pressure will be exerted; on the other, the Nicaraguan Government will be given an alternative, a peaceful solution. Common sense says this solution should be chosen. Only a stupid person would not understand that the message seeks a negotiated solution and the achievement of peace and tranquillity in the region through a democratic government.

[Soriano] Do you think that Azcona should hold a dialogue with the president of Nicaragua as soon as possible, during any of the presidential meetings that are currently being held, to prevent further aggressions against us?

[Montoya] We had the opportunity of talking in Guatemala, meaning President Azcona and the president of Nicaragua. I believe that a dialogue is the only way one can attain peaceful solutions. I sincerely think that Nicaragua has no solution, except a reorganization of that revolution toward pluralism and really free elections. I think Honduras is becoming -- through President Azcona -- a Central American leader because we have a strictly defined position. We do not intervene in Nicaragua's problems, but we want peace in the region and solidarity of its democracies. We sincerely hope that Nicaragua leaves the Soviet bloc and allows a nationalist, pluralistic revolution based on individual rights.

[Soriano] May we surmise from your statements that you think the road to peace in Central America must necessarily pass through Tegucigalpa?

[Montoya] Of course, definitely, yes. However, it must not pass only through Tegucigalpa; it must pass through Managua and include a solution for the Nicaraguan Government.

[Soriano] Nevertheless, Tegucigalpa...[corrects himself] Honduras is in the eye of the hurricane, and it is the country that should be getting most of the United States' military aid.

[Montoya] No, not only Honduras. I believe that El Salvador gets even more aid.

[Soriano] Economically speaking?

[Montoya] Economically and militarily speaking. However, we want to live in peace; we want to live in a society in which the enforcement of the law is the norm for all citizens' conduct. We are not interested in waging a war against anyone. However, we are not indifferent to regional problems, either. We will struggle for a peaceful life, the strengthening of Contadora, and a negotiated solution.

EDITORIAL VIEWS GOVERNMENT'S 'HYPOCRISY'

PA162208 San Pedro Sula TIEMPO in Spanish 10 Mar 86 p 6

[Editorial: "Hypocrisy's Torn Veil"]

[Text] Coinciding with U.S. Deputy Secretary of Defense William Howard Taft IV's visit to Tegucigalpa, U.S. Defense Secretary Caspar Weinberger neatly stressed Honduras' direct and active participation in the U.S. aggression against Nicaragua.

Weinberger's statement -- at no less than the U.S. House of Representatives -- was in response to the Republican Party Congressman Bill Dickenson, who pointed out the incongruity of the Reagan administration's request for $100 million in military aid for the "contras" while not one Spanish American country in this region would accept this as either appropriate or fair.

According to the international Press Service (IPS), Weinberger answered that Honduras is doing much more than standing up and asserting "something." He added that Tegucigalpa's aid "is much more effective than simply a public statement."

IPS added: "The defense secretary's comments broke a rigid U.S. State Department policy that refuses to publicly discuss the roles played by Nicaragua's neighboring countries, Honduras and Costa Rica, in Washington's efforts to destabilize the Sandinist government."

"This rigid policy is largely the result of the acknowledgement of the sensitivity of the Tegucigalpa government, which for a long time refused to admit the presence of contra camps on its territory."

Something more than this policy has been broken with the U.S. defense secretary's revelation, earlier asserted by U.S. Secretary of State George Shultz, and that is the veil of hypocrisy of the previous and current Honduran Government and the Armed Forces. This not only causes indignation among our people, but covers us Hondurans with shame throughout the world.

While deputies entertain themselves in San Pedro Sula by attending an AID workshop to serve as their training to be deputies, a foul-smelling action by the Honduran Government, which has acted illegally without our Legislative Assembly's authorization, has been uncovered by the U.S. Congress.

In accordance with Honduran law, no foreign military force can be in our territory without authorization from the National Congress, much less, if these forces are mercenaries and attack a state with which we have relations of all kinds and whose government we have fully recognized.

In the National Congress, however, no debate has been held thus far on this issue of prime importance for the nation, which speedily leads us to war with Nicaragua. The issue is clear and President Reagan presents it like this. The $100 million for the "contras" is the price that the U.S. people must pay so the U.S. soldiers do not die in a struggle that belongs exclusively to the Reaganites. Then, let the ugly die, as the song goes.

We Hondurans must understand -- and above all the Armed Forces -- that the escalation of this war will get us fully involved directly or indirectly, with or without American soldiers.

The National Security Council, which had not met since roving Ambassador Shlaudeman's visit and on the occasion of Deputy Secretary Taft's arrival, naturally discussed this topic that has cooked the White House's brains. [as published] Surely, this is to trip up Costa Rica and its accord with Nicaragua to control -- through Contadora -- their common borders and, above all, to enhance Honduras' "effective" participation in the U.S. aggression against Nicaragua.

To top it off, the new foreign secretary continues to repeat the same catchphrases.

When he left the National Security Council meeting he said: "Officially, the Honduran Government has not authorized any group or foreign government to channel any type of aid for rebels in other countries.". What about unofficially? It is well known that the "contras" are here.

"The Honduran authorities, however, are concerned about insurgent groups using this territory," although the well-known excuse is presented: We have a very long border that is impossible to guard. Thus, war is on its way.

LOPEZ ON RESIGNATION, CONTRAS, U.S. PRESENCE

PA180455 Teguigalpa Voz de Honduras Network in Spanish 1130 GMT 17 Mar 86

[Interview with General Walter Lopez Reyes, former commander in chief of the Armed Forces, by Jesus Velez Banegas; in San Pedro Sula on 16 March -- recorded]

[Text] [Velez] General Walter Lopez Reyes, former commander in chief of the Armed Forces, came to San Pedro Sula yesterday. He issued exclusive statements to us and revealed that he had presented a request last week to the new commander in chief of the Armed Forces that he be allowed to retire from the Army. Walter Lopez Reyes asserted that he will work in a fumigation company headquartered in San Pedro Sula, adding that he and his entire family will move to the northern sector of the country. Here is his statement on this matter:

[Lopez] I sent a letter to the commander in chief. I sent it recently, on Wednesday or Thursday last week; I am waiting for a reply, after it is taken through the usual channels.

[Velez] He said in a statement that if you presented the request they would gladly approve it. Does this imply that you are [word indistinct] from the Army in a certain way?

[Lopez] No, absolutely not. I repeat that all this was my decision. I continue to have good friends, good comrades in the Armed Forces. I believe there is no estrangement; quite the contrary, in my position as a citizen and reserve member it is my duty to cooperate with them in the future as much as I can.

[Velez] It is being hinted that you might one day become a politician, aligned to any of the traditional parties. Have you received offers from any of them?

[Lopez] Well, in principle I do not talk about politics when I am at a sports center. Second, I have no plans to participate in politics for the time being.

[Velez] The last time I interviewed you, you said that you opposed the presence of foreign troops in this country. Could it be possible that these statements, which were publicized by the news media, hastened your departure from the Armed Forces?

[Lopez] No, I do not think so. I do not recall having said that I opposed [the presence of foreign] troops here. I have always said that I respect the Constitution, which states that the only Army that should exist here is the Honduran Army. However, we most definitely remember that we have close links with the United States; they are advising us in joint training, exercises, and plans. Logically, this makes it necessary to have the Americans in our country. There are some agreements and protocols at the National Congress, and I think that they will review them; we sent them during the last administration. Some of these might still be at the foreign secretary and Armed Forces headquarters for review.

However, they will soon be taken to the congress for analysis, to ascertain what their goals are, because they simply represent a review of the 1954 agreement. In addition, I think that the Armed Forces are carrying out their work according to the current government's policy and the Constitution of the Republic.

[Velez] There are people who think that a campaign has been launched against the Honduran Army and U.S. Army, because reports are being issued about yellow rain and AIDS cases in Palmerola ...[corrects himself] in Comayagua, specifically. You have an analytical mind and have lived within the Armed Forces. What can you say about this?

[Lopez] I think all these reports are worrisome. I cannot tell you if this is a campaign organized to discredit the U.S. Army and the Honduran Army, because the left will avail itself of every mistake democracy makes. Therefore, I think the top-level authorities of the government and the Armed Forces should order a thorough investigation of what is taking place, and then inform the citizenry and the various news media of the results of this investigation, to calm our people down. However, the people and the various authorities must also be careful to avoid issuing hasty statements, because they could make a mistake, and the left will always avail itself of these situations.

[Velez] The presidents of Costa Rica and El Salvador have stated their interest in following a policy of contacts with the guerrillas. It is being requested [corrects himself] Duarte has requested a meeting with his [corrects himself] with the guerrillas in the country. The problem is that he says that Nicaragua, meaning Ortega, should talk with the Nicaraguan contras, in an attempt to bring peace to the Central American area. Do you think that the crisis in the area can be overcome?

[Lopez] I would not like to give my opinion on international politics right now. I have my own concepts; I have my own opinion on this. However, I would like to stress something; I am still on active duty. Likewise, I would not like to issue my opinion as a citizen because this [changes thought] logically, the president and the foreign secretary should be the ones to issue the official version of what seems to be happening in the area, and whether such and such president should talk with such and such subversive group. I repeat, I will try to issue a much clearer statement as an average citizen in the near future.

[Velez] Do you still maintain your friendship with Azcona Hoyo?

[Lopez] Yes, definitely. I feel respect and esteem for him. He is the citizen the Honduran people chose and, since he has the responsibility for leading the country, every Honduran citizen has the duty to help him so that our country does not fail.

ARMY SEIZES BUS WITH HIDDEN WEAPONS

PA190353 Tegucigalpa EL HERALDO in Spanish 17 Mar 86 p 2

[Text] The Armed Forces will present to national and foreign reporters today a bus seized in Colomoncagua, Intibuca Department, where ammunition and weapons, supposedly for Salvadoran guerrillas, were carried.

Preliminary reports indicate that the vehicle was seized over the weekend. After a thorough search, lethal weapons were discovered hidden inside.

The national authorities, in addition to this action, have carried out several seizures of weapons destined for the FMLN, a guerrilla organization that has been using our territory to subvert order in El Salvador.

The number of people detained has not yet been disclosed. Colomoncagua, in the country's west, is located 2 km from the Salvadoran border. There are about 15,000 Salvadoran refugees in this sector.

NICARAGUA

ORTEGA CRITICIZES U.S. DEBATE ON CONTRA AID

PA180257 Managua Radio Sandino in Spanish 1300 GMT 16 Mar 86

[Text] Yesterday in Stockholm President Daniel Ortega criticized the U.S. Congress debate on President Reagan's plan to grant $100 million in aid to the Nicaraguan counterrevolutionaries.

Ortega, who is in Sweden to attend the funeral of pacifist Olof Palme, met with Spanish Prime Minister Felipe Gonzalez. Following the meeting, Commander Ortega told a group of Spanish reporters that the U.S. Congress debate on the aid for the contras is immoral. The matter under debate in the United States runs counter to the international legal system and the principles of the U.S. Constitution; it is something immoral, said Ortega.

Returns From Sweden

PA181823 Managua Radio Sandino in Spanish 1751 GMT 18 Mar 86

[Communique No 14 issued by Information and Press Directorate of the Presidency; no date given -- read by announcer]

[Text] The Information and Press Directorate of the Presidency of the Republic announces to the people of Nicaragua that Commander of the Revolution Daniel Ortega Saavedra, president of the Republic and coordinator of the FSLN's Executive Commission, returned to the country this morning from Stockholm, Sweden where he attended the funeral of Prime Minister Olof Palme. In the Swedish capital President Ortega met with political and religious leaders of various parts of the world who attended the funeral of Comrade Palme. Upon his return he resumed the duties corresponding to his high position.

RAMIREZ CRITICIZES U.S. 'MERCENARY WAR'

PA181824 Panama City ACAN in Spanish 0201 GMT 18 Mar 86

[Text] Managua, 17 Mar (ACAN-EFE) -- Today, Nicaraguan Vice President Sergio Ramirez Mercado harshly attacked the "mercenary war" being waged by the United States against Nicaragua and those that encourage that war against the people. During the opening of the 20th Meeting of Agrarian Reform of Central America and the Dominican Republic in Managua, Ramirez criticized those who "do not pursue the people's interest" and who only "encourage war."

Jaime Wheelock, Sandinist agricultural development and agrarian reform minister, Central American delegates, and Nicaraguan peasant representatives attended the event.

Sergio Ramirez said that it is up to Central Americans to seek the "bases for the peace and understanding in the long run." When defining Sandinist foreign policy, the Nicaraguan vice president affirmed that Nicaragua advocates "the people's self-determination and political resolution of conflicts." Ramirez harshly attacked what he called the "mercenary war imposed by the Reagan administration" on Nicaragua and, in particular, on the peasants who are enduring the rebels' aggression. The Sandinist vice president pointed out that Nicaraguan peasants have been the most affected by the U.S. "war of aggression" because "the mercenary attacks are carried out in the countryside." Ramirez said: "Despite that immoral war against the Nicaraguan people, we are defeating the mercenaries directed by the Reagan administration."

The U.S. Government is confident that it will obtain $100 million from the Congress for the anti-Sandinist rebels, who "are being virtually defeated," according to the Sandinists.

Sergio Ramirez told those attending the agrarian reform event that despite the war "we have not stopped looking to the future, as you can see by the agro-industrial projects developed in our country." The leader pointed out that up to now, the revolution has distributed some 189,000 hectares to some 75,000 peasant families, and added that it will continue to increase land distribution. Ramirez added that the Sandinist policy is to do justice to the peasants by giving them land to farm.

The Sandinist Assembly, the consulting body, issued a statement this weekend calling for the strengthening of the "alliance" between the revolution and the peasants. Top Sandinist leaders had called an emergency meeting of the FSLN consultive body, composed of some 100 members, to analyze the national situation and the peasants' land problems.

ASSEMBLY APPROVES LETTER TO U.S. CONGRESS

PA190103 Managua BARRICADA in Spanish 12 Mar 86 p 5

[Excerpts] "Today we will call roll and each one will answer yes or no." Commander Carlos Nunez yesterday surprised more than one with those words, when for the first time in the history of the National Assembly a vote was conducted that allowed everyone to learn the political position of each parliamentarian from their own mouth.

The legislators had spent 1 and 1/2 hours discussing a proposed statement presented by the Popular Social Christian Party [PPSC] and supported by the Nicaraguan Socialist Party [PSN] for the Nicaraguan Parliament to condemn a request for millions of dollars in aid for CIA mercenaries from the U.S. Congress.

There were many firm yeses, other yeses with reservation, five no's, and six hesitant abstentions that resulted in an approval by majority, that is, 74 votes in favor. However, above all, the individual attitude of each representative was clearly exposed, or as some reporters said: "We clearly saw who is who."

The debate on a statement that will be personally handed to U.S. Congress members began with the PSN opinion expressed through its representative Adolfo Evertsz: "Reagan's $100-million request for the contras constitutes a green light for a future open military intervention."

The letter, which also reiterates the commitment of the representatives to continue "discussing the political constitution draft bill until its final approval by this assembly," faced a first and ardent opponent: Independent Liberal Party [PLI] leader Virgilio Godoy, who for several minutes called "for the condemnation of all kinds of intervention taking place in Nicaragua...whether U.S., Soviet, Cuban, or whatever."

Next, on behalf of the FSLN, Commander Dora Maria Tellez pointed to "memory problems" in the vehemency of the Liberal politician. She said: "Dr Godoy missed the target, because unlike the Cuban people, the U.S. Government has not provided doctors, teachers, or advisers to defend national sovereignty, but it has provided bullets, weapons, and bombs to murder our people."

Commander Nunez believed that he felt the presence of the infamous anticommunist Yankee Senator Eugene McCarthy [as published] in the session room. He expressed that feeling before the plenum by pointing out that President Reagan is trying to revive McCarthyism to obtain the $100 million while certain people are trying to cover their eyes at the Nicaraguan Parliament.

The assembly president added that beyond the approval of the $100 million, "Reagan is trying to progressively involve the Congress in his aggressive war to bring about an escalation of the war." He asked the parliamentarians to focus on the content of the letter.

However, these words apparently did not convince Conservative Eduardo Molina, who in one of his habitual outbursts said that there is a "civilian war" going on in Nicaragua, because there is "violence from both sides." He defended Bishop Pablo Vega "who has been slandered by the media." As for the anti-imperialist statement, Molina said "we will only sign it if the FMLN repeals the state of emergency and ends the state-party-Army confusion!"

Godoy lit his 10th cigarette of the morning and spoke again. He denounced what he called "parliamentarian divisionism." Godoy said that the statement to the U.S. Congress is "an ambush" against "those who oppose this constitutional process," because Point Three of the letter reaffirms support with the drafting of the political constitution. In addition, he insisted "that the PLI wants peace" and that in Nicaragua "other undesirables are also present."

At 1230 Commander Nunez said that the resolution had been discussed enough. Godoy quickly asked for the floor and announced: "We will vote, but with reservation on Point Three referring to the support of the constitutional process."

The original voting style, which is new to all in the National Assembly, was conducted. One by one the parliamentarians said yes or no to the proposal.

Liberal Carlos Alonso delivered the first surprise. Contrary to the line established by Godoy, he voted with a firm yes. The first no came from Conservative Castillo who also showed disagreement with other Democratic Conservative Party of Nicaragua [PCDN] members who abstained; the first one to do so was Cordova Rivas. When Eduardo Molina's turn arrived, he squirmed in his seat, looked around, and many seconds later, he hesitantly said "I abstain."

Besides Castillo, the other conservatives, Gustavo Mendoza, Ulises Teran, Felix Pedro Espinosa and Sotelo [Borgen], also firmly rejected a condemnation of the new U.S. aggression. Other PCDN members, namely Lucas Urbina, Mercedes Chamorro, Jose Quintanilla, and Isidro Tellez, also abstained. Tellez claimed "style problems" in the drafting of the letter.

In addition, a draft bill sent by the Presidency of the Republic to protect state secrets was sent to a commission to be analyzed. More about this bill will be revealed in upcoming sessions.

TUNNERMAN SENDS LETTER TO U.S. LEGISLATORS

PA190112 Managua Radio Sandino in Spanish 0000 GMT 19 Mar 86

[Excerpt] If the U.S. Government stops the aggression against Nicaragua, the state of emergency would be lifted, freedoms would be restored and amnesty would be decreed for all the counterrevolutionaries, Carlos Tunnerman, ambassador to the United States, said in a letter addressed to the U.S. Congress.

Denies Reagan 'Assertions'

PA181426 Managua Radio Sandino in Spanish 1330 GMT 18 Mar 86

[Text] In Washington, Ambassador Carlos Tunnerman again denied President Reagan's assertions in Sunday's speech to the effect that the Sandinist government has permitted the establishment of air and naval bases in Nicaragua. Tunnerman said that this is a maneuver of the Reagan administration to justify the approval of $100 million for the Somozist contras.

Radio France International stated in its broadcast early this morning that Ambassador Carlos Tunnerman had said that the fate of the Nicaraguan Sandinist revolution is not at stake in the U.S. capital and instead that it is the authentic revolutionary expression of the Nicaraguan people.

CHRISTIANS BEGIN PROTEST FAST AT U.S. EMBASSY

PA181652 Managua Domestic Service in Spanish 1550 GMT 18 Mar 86

[Live "mobile relay" from area in front of U.S. Embassy in Managua]

[Text] There is a protest demonstration underway in front of the U.S. Embassy in Managua. It is being staged by grass-root Christians. Father Rafael Aragon will explain how long it will last as it is some kind of a vigil:

[Aragon] This activity is closely linked to all the events carried out after Father Miguel D'Escoto's fast as a protest to report everything that involves the state terrorism and attitude of the U.S. Administration against the Nicaraguan people. This is being done so that Christians also become aware of the situation being experienced by the people. It is a situation of much death, pain, and suffering, and we feel that the gospel commits us to defend life, peace, and justice.

This is a group of Christians who are linked to the grass roots communities of Managua and who think that today is a very important day to express our faith in the defense of life and to clearly report the attitude of the U.S. Administration, on the eve of 19 March [date as heard] when new aid to the counterrevolution is requested.

The church could not remain silent, and as there has been great silence on the part of the Catholic hierarchy, and we have (?not been able) to get the bishops to adopt a more courageous attitude to report the U.S. policy in regard to Nicaragua, we think that the Catholic people have the obligation and the need to report this attitude and express opposition to this new aid for the counterrevolution. That is why we are here. We will remain here fasting all day long in front of the U.S. Embassy. We will conclude the day at 1800 with a station of the cross service.

We invite all Catholics and the people of goodwill to participate in this station of the cross at 1800 to denounce this request for aid that we believe is illegal, unjust, and immoral which threatens the life of the people of Nicaragua who are hurt by the counterrevolution.

AMBASSADOR TO MEXICO ON U.S. AID TO CONTRAS

PA181452 Managua Radio Sandino in Spanish 1300 GMT 18 Mar 86

[Text] The economic aid that Reagan wants to provide to the contras will be (?useless) because the Sandinist revolution, which is supported by the majority of the people, will not be destroyed by a group of mercenaries, Nicaraguan Ambassador to Mexico Edmundo Jarquin has stated.

Jarquin said that the fact that Reagan has turned the case of Nicaragua into a personal obsession is [words indistinct] because this causes great tensions in international relations. It is very worrisome for the international community that Reagan, the president of a powerful country such as the United States, has turned the case of Nicaragua into a personal (?obsession), Jarquin said. He added that in this way the president loses political leeway [espacio politico] and flexibility and introduces a very dangerous rigidity in international relations. Jarquin reiterated that the obsessive U.S. policy against Nicaragua has prevented the resolution of the armed conflicts in Central America and the success of the Contadora Group's peace efforts.

AMBASSADOR TO PERU THANKS GARCIA FOR STATEMENTS

PA181955 Managua Radio Sandino in Spanish 1300 GMT 16 Mar 86

[Text] Ambassador to Peru Mauricio Cuadra yesterday stated in Lima that his country would also break diplomatic relations with the United States if it attacks Peru because such an action would also be an attack on Nicaragua. Reports from Lima indicate that the diplomat expressed the Nicaraguan Government and people's esteem and solidarity with Peru in thanks for the gesture of Peruvian President Alan Garcia, who announced during his official visit to Buenos Aires that if U.S. forces invaded Nicaragua, he would break relations with the aggressor power.

Ambassador Cuadra expressed confidence that Garcia's decision would be followed by other honorable governments of Latin America and the world. He said that the discussion itself in the U.S. Congress for the allocation of $100 million to help the Nicaraguan contras constitutes an intervention.

AMBASSADOR TO COLOMBIA DENIES TIES WITH M-19

PA181502 Managua Radio Sandino in Spanish 1300 GMT 18 Mar 86

[Text] Ambassador to Colombia Francisco Quinonez today denied the Colombian defense minister's statement that Alvaro Fayad, the late leader of the M-19, was planning to travel to Nicaragua. There are no ties between the Nicaraguan Government and the M-19, the Nicaraguan diplomat said when he was asked about General Miguel Vega's statement that Fayad was going to travel to Nicaragua. We have not issued a visa to Mr Alvaro Fayad, Quinonez insisted, adding that there are no links between the Sandinist government and the Colombian guerrilla movement as the Reagan government is asserting.

AMBASSADOR TO LIBYA ON SOLIDARITY, TRADE

PA181636 Managua Radio Sandino in Spanish 1930 GMT 17 Mar 86

[Text] Ambassador to Libya Chester Simpson has said that Colonel Qadhdhafi's government has ratified its desire to expand its trade relations with Nicaragua. Simpson said that the trade agreements between the two countries include bananas, coffee, cotton seed shipments, and that Libya is interested in purchasing Nicaraguan tobacco. Simpson added that in the political field, the Libyan Government and people are closely following the Nicaraguan situation, considering that part of the bonds uniting the two countries are [word indistinct] of the interventionist policy of the U.S. imperialism in its attacks against the two countries.

[Begin recording] Libya's solidarity with Nicaragua is expressed through daily reports to the Libyan population on the events taking place in Nicaragua, a victim of U.S. attacks. It is wonderful to see that the Libyan people greatly sympathize with the Nicaraguan people by transmitting this information through the various means available. This solidarity is evident, because when our delegation...[changes thought] when people pass by our embassy, they express this solidarity in many ways.

We must also view Libya's solidarity with Nicaragua within the framework of the purchasing of our products by that country. Last year we sold them bananas, coffee, and cottonseed; and they are interested in buying other products that would greatly help Nicaragua's economy in facing the current attacks. While our enemies are tyring to destroy our feeble economy, the Libyans are trying to help us, which contravenes the concepts that many have about Libya. Considering that our products are being sent to a distant area -- geographically speaking -- we appreciate this solidarity even more, because our products are accpeted and appreciated no matter how they arrive, as they are aware of our government's efforts to deliver our products in the best way.

At the time of the crisis provoked by the U.S. 6th Fleet, the Libyan people compared their situation with the situation that the United States has created and is maintaining in Nicaragua. We are in this position because our enemies do not want us to help our people. However, based on the principles of the revolution, our government is trying to improve living standards, as well as the health and educational levels of our people.

The basis for the mutual solidarity between Libya and Nicaragua are the current diplomatic relations. Our two countries are more or less at the same level of development. [end recording]

EPS TROOPS MOVE NORTH TO FACE CONTRA ATTACK

PA190423 Paris AFP in Spanish 0230 GMT 19 Mar 86

[Text] Yalaguina, Nicaragua, 18 Mar (AFP) -- On Tuesday, a column of armored personnel carriers, filled with soldiers of the EPS left the city of Esteli heading toward several points in northern Nicaragua to repel a possible rebel offensive in the border area with Honduras.

The unexpected EPS deployment came shortly after a group of at least 150 rebels destroyed an electric substation in Yalaguina, a jurisdiction in northern Madriz Department. This is the first major action the contras have undertaken this year. As a result of the counterrevolutionaries' attack, approximately 150,000 residents of the country's Region No 1 (Esteli, Nueva Segovia, and Madriz) were without electricity.

At dawn today, at least one dozen armored personnel carriers and eight trucks were climbing up the steep hills that characterize the winding Panamerican Highway leading from Esteli, Nicaragua's major northern city, toward the Honduran border in view of the threats of a big rebel offensive.

"We cannot say where we are headed to," an EPS soldier told reporters at the start of their journey.

In that zone, rumors began circulating that several thousand "contras" were preparing to infiltrate the area near the Jalapa border region in Nueva Segovia Department. On Tuesday of last week, a rebel commando destroyed seven tobacco warehouses there, an equal number of trucks, and other installations. Yalaguina's militiamen said that the situation along some border points "is very hot," confirming recent constant clashes near Jalapa, Somoto, and near the beach, a small area which last week was the target of a frustrated rebel attack.

The increase in anti-Sandinist actions is taking place practically on the eve of the U.S. Congress' debates on President Ronald Reagan's request for $100 million in aid ($70 million of it for military purposes) for the Nicaraguan contras. Near the Condega village, 40 km from Esteli, a great number of heavily armed EPS soldiers could be seen.

Sources close to the Nicaraguan Government fear that the rebels may launch "spectacular" actions in the next hours, similar to the operation against the Yalaguina electrical substation, which was practically left in ruins after the surprise attack early this morning. Today's attack lasted 3 hours, until the 45 militiamen who were guarding the area were overrun by a larger number of contras.

Stationed in the hills surrounding the plant's installations, the rebels used mortars, grenade launchers, and rifle fire. As silent witnesses of the clash, tendrils of smoke were still coming out of the plant many hours later. As a result of the clash, one militiaman and one expert [tecnico] were killed. Meanwhile, it was reported that in the rebel lines the chief of one column was killed, one contra was captured, and several more were injured.

So far, two departments (Nueva Segovia and Madriz) and part of Esteli were without electricity because of the attack. An official of the Nicaraguan Institute of Energy (INE) said that electric service for the three departments affected by the rebel action could go back to normal "perhaps" in 10 days.

The contras' actions had dwindled in the past 6 months after failed attempts in August and November to occupy northern towns in La Trinidad and in Santo Domingo, as well as in the country's southeast, where the EPS routed them when the awesome Soviet-made MI-24 helicopters were put into action for the first time.

BOS TO ASK FOR 2-MONTH FREEZE IN CONTRA AID

PA182025 Panama City ACAN in Spanish 2013 GMT 18 Mar 86

[By Juan Ramon Rojas]

[Text] San Jose, 18 Mar (ACAN-EFE) -- The anti-Sandinist Southern Opposition Bloc (BOS) will ask the Reagan administration to freeze the military aid for the contras for 2 months if it is approved this week, the BOS announced here today.

Alfredo Cesar, of the executive committee of this anti-Sandinist coalition, said that this proposal, which will be presented today to the White House, has the objective of establishing a waiting period for the initiatives for dialogue recently presented in Central America.

The BOS is made up of ARDE, headed by Eden Pastora, and is fighting in southern Nicaragua, and several political forces of the anti-Sandinist opposition. Among these initiatives Cesar cited the proposal for a dialogue made by six political parties of the internal Nicaraguan opposition in late January and the meeting of Central American presidents, scheduled for May in Esquipulas, Guatemala. He also mentioned the proposal made by Salvadoran President Jose Napoleon Duarte to hold simultaneous dialogues between his government and the FMLN guerrillas, and the Sandinists with the armed "contras."

The leader of the Southern Opposition Bloc (BOS) said during a press conference that he has full confidence in these three proposals that would contribute to a political solution to the internal conflict in Nicaragua. Cesar said that the BOS proposals call for the freezing of only the $70 million in military aid, while the remaining $30 million in "humanitarian aid," of the $100 million being requested by President Ronald Reagan from the U.S. Congress must be paid after it is approved.

The anti-Sandinist leader said that this proposal has not been revealed to the other opposition bloc, the Nicaraguan Opposition Union (UNO), led by Alfonso Robelo, Arturo Cruz, and Adolfo Calero. Calero is commander in chief of the FDN, the organization that has monopolized almost all the U.S. aid that has been disbursed to date. He explained that his group firmly supports the U.S. President's initiative, on the condition that the $100 million is "equitably distributed" among all the anti-Sandinist groups. He recalled that "BOS did not get a single cent" of the last $27 million in "humanitarian aid" approved by the U.S. Congress. Instead, the UNO benefitted from it.

Cesar said that there is a "key coincidence" among the Nicaraguan "contras", the Latin American governments, and the U.S. Administration: "The need for Nicaragua to comply with the commitments it made at the OAS in 1979, regarding political pluralism, mixed economy,and nonalignment in foreign policy."

Meanwhile, Jose Davila, also of UNO's executive committee, said that currently "a democratic agreement that would allow us, if we triumph, to establish a democratic regime" in Nicaragua is being negotiated. The BOS and the UNO have held those talks in Washington.

Davila said that this "democratic agreement" is aimed at laying the foundations "to prevent the installation of a new dictatorship and to put an end to the history of wars in Nicaragua."

"We are working on the final details on how we are going to coordinate actions in the military and diplomatic fields," he said, adding that they hope that the agreement will be followed by the approval of the aid requested by President Reagan for the "contras."

NONALIGNED PRESS AGENCY DELEGATES MEET IN HAVANA

FL181842 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Mar 86

[Text] Our work is directed at making the pool of news agencies a practical tool at the service of underdeveloped nations, Cuban Foreign Minister Isidoro Malmierca said this morning in his opening remarks at the 11th meeting of the Coordinating Committee of the Nonaligned Countries Press Agencies Pool, being held at Havana's Palace of Conventions. The Cuban foreign minister said the nonaligned pool has promoted national policies in the sphere of information. Malmierca noted that the fact that Third World countries have only 10 percent of the technological network preparing and transmitting messages was not only technological dependence but also part of a historic and political phenomenon.

[Begin Malmierca recording] Your presence here demonstrates the importance that Nonaligned Countries atrribute to the communications problems existing among our peoples. We begin this meeting less than 6 months before the eighth Nonaligned Countries summit conference, which will be held in Harare, Zimbabwe, and it is necessary to contribute to the preparation of its agenda, ensuring the broadest dissemination of and impact on international public opinion of the conference's decisions. [end recording]

Remarks welcoming the almost 50 delegations attending the meeting of Nonaligned Countries press agencies were made by PRENSA LATINA Director Pedro Margolles.

[Begin Margolles recording] This great interest, demonstrated by the long journey most of you had to make to come here, has been recognized by the other Latin American countries which are members of the Nonaligned Movement. [end recording]

The opening session is continuing. In addition to Malmierca, the current chairman of the pool of press agencies, (Bashir Towal), and PRENSA LATINA Director Pedro Margolles, Guyana's Foreign Minister Rashleigh Jackson also sat at the presiding table. The general conference of Nonaligned Countries press agencies will begin on Thursday.

INNOVATORS, EFFICIENCY EXPERTS WORKING IN ANGOLA

FL181815 Havana Television Service in Spanish 1700 GMT 18 Mar 86

[Text] The first committee of the Cuban National Association of Innovators and Efficiency Experts [UNIR] in the People's Republic of Angola began working at the main equipment headquarters of the affiliate of the Union of Caribbean Construction Enterprises, UNECA. The group is composed of 18 technicians and specialists from the mechanization workshop of that base. Expansion is expected to contribute to economic efficiency, conservation of raw materials, and Cuban internationalists' productivity in the construction area.

The UNIR, which is at the central mechanization base, situated in the (Zaprel) area in Luanda, is responsible for a workshop with 25 Angolan students who receive training in theory.

COMMENTARY REJECTS BAKER PLAN CAMPAIGN

PA190009 Havana International Service in Spanish 0000 GMT 15 Mar 86

[Station commentary, read by Maruja Garcia]

[Text] In April the United States will again try to sell to Latin America the so-called Baker Plan as an alleged solution to the crisis that has been generated by a foreign debt that already totals $370 billion. According to reports, the Yankee plan will again be discussed in Washington during the meeting of the IMF Interim committee scheduled for next month.

The Baker Plan promises to grant the 15 most heavily indebted countries credits totaling a mere $29 billion from 1986-1990, which is supposed to be supplied by the transnational banks, the World Bank, and the IDB. It must be remembered that the Baker Plan contains nothing new, much less does it offer any solutions. Latin America must pay $40 billion annually to its creditors in interest alone. This is double the amount that Washington is offering for 3 years as a miraculous solution to the regional debt.

The Baker Plan suffered a crushing defeat when it was first revealed months ago. The Latin American countries with the largest foreign debt, which are granted priority in this malformed U.S. brainchild, concluded that the plan is incomplete and insufficient. A similar view was expressed by the Latin American Parliament, the Cartagena Consensus, and the Latin American Economic System, which also regarded it as harmful to the regional economies. The United States has again come out fighting with the Baker Plan as its weapon, and it would not be risky to say that it will have to pick up again its brilliant ideas and take them back home. Latin America knows, and has been demonstrating it, that simple bandages will not cure an illness that requires deep and radical surgery.

HAVANA TO OBSERVE DEFENSE DAY 23 MARCH

FL182334 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Mar 86

[Text] In Havana City Province thousands of persons will participate in the next defense day, which will take place on Sunday, 23 March. Among the planned activities are the checking of the sole system of exploration and the checking of the material reserves of the FAR, which are at the disposition of the Councils of Defense in each town.

The program also includes checking the combat readiness of the territorial troops militia in Cotorro, Lisa, Boyeros, Cerro, San Miguel del Padron, Havana del Este, Regla, and Havana Vieja. There will also be training exercises in the defense zones of various Havana municipalities and ceremonies marking the beginning of the year of instruction in the municipalities of Playa and Plaza de la Revolucion.

The party leadership has called on the commanding officers of the Councils of Defense, the militiamen, the workers, and the people in general to observe punctuality and organization and to make good use of this coming Sunday, 23 March.

CENTRAL BANK SAYS ECONOMY CONTRACTED IN 1984-85

FL190146 Santo Domingo LISTIN DIARIO in Spanish 6 Mar p 1 D

[Text] At the end of 1985, the preliminary results of the real economy indicated a contraction of the level of economic activity, measured by the real gross national product, GNP, of about 1.2 percent. These results were expected because of the extensive reforms initiated on 23 January 1985 within the context of the rigorous adjustment and stabilization program, according to the annual report of the Central Bank.

The domestic sector is clearly depressed, the most important productive sectors had a negative growth rate resulting in a drop of the GNP to the level of 1970.

Agricultural and livestock earnings decreased 2.3 percent, according to the Central Bank. This decrease is explained by increases in the price of imported products used in agricultural and livestock production because of the unification of the exchange rates of the official and parallel markets, which determines the amount of taxes to be paid on purchases made abroad.

The Central Bank also refers to the drop in agricultural productivity due to the drought in April-June and to the later, unexpected increase in rainfall.

Agriculture and livestock raising showed decreases of 3.7 percent and 0.6 percent, respectively.

Manufacturing, construction, trade, and transport has negative growth rates of 4.0 percent, 8.5 percent, 2.2 percent, and 2.5 percent respectively, because of increases in their operating costs. Nevertheless, the Central Bank points out the existence of other sectors within the gross product that showed positive growth. This positive growth was incapable of reversing the tendency of the GNP because the sectors involved represent a small percentage of the GNP.

At the end of 1935, the annual accumulated inflation rate was 37.0 percent although a higher inflation rate had been forecast.

Notwithstanding the expansive effect the unification of the exchange rates may have had on the money supply, the money supply increased only 13.6 percent in 1985, whereas in 1984 it had increased by 31.6 percent (when there was still parity between the Dominican peso and the U.S. dollar).

Credits granted to the public sector by the Central Bank and the reserve bank were 192 million pesos below the limit established in the adjustment program. The growth of credits was reduced to a rate of 1.6 percent [no time frame given]. The total lent in 1984 was 1,812.2 billion pesos, and in 1985, 1,618 million pesos.

Gross international reserves reached $397.1 million, which was the highest in the last 5 years. This represented an increase of $94 million over the level achieved in 1984, which was $303.1 million, even though overdue debt payments of $106.2 million had been made. Thus the limit of $105 million fixed by the IMF for the year was exceeded.

The net international reserves, defined in the IMF agreement, showed negative growth of $249.2 million on 31 December 1985 which, compared with the 1984 figure of $335.9 million, represented an improvement of $86.7 million, which was $18.6 million more than the limit set by the IMF.

On 31 December 1985, the net domestic credit for deposits made to the public sector [el credito interno neto de depositos al sector publico] by the Central Bank and the reserve bank totaled 1,622 million pesos, which was 190.2 million pesos less than in December 1984.

The Central Bank reduced its domestic financing by advances and rediscounts by 10 percent for the commercial banks and 5 percent for the development banks [banca de desarrollo], in observance of one of the main goals enunciated by the monetary board in 1985. Thus, advances and rediscounts as of 31 December 1985 totaled 514.6 million pesos, which was 33.6 million pesos less than in December 1984, when they totaled 548.2 million pesos.

According to preliminary figures, by the end of 1985, the average money supply was 1,368.2 pesos, and the balance [saldo] was 1,644.3 million pesos, which figures are respectively 33.0 percent and 23.4 percent greater than in 1984.

The average note issue was 1,045.9 million pesos; in December 1985, the balance [saldo] was 1,154.1 million pesos, with percentage increases of 25.8 percent and 11.8 percent, respectively, in these two values over those of the preceding year.

According to preliminary figures, the commercial bank granted loans totalling 2,233.3 million pesos, with an absolute increase in 1984 of 326.6 million pesos, which reflects the growth of financing channelized to the private sector, with a relative variation of 17.4 percent.

The acquisition of resources by the commercial banks through demand desposits, savings deposits, and time deposits gave a balance of 2,123.4 million pesos on 31 December 1985 while the 12-month average was 1,845.9 million. In relative terms, these figures represent increases of 24.9 percent and 21.6 percent, respectively. The most significant growth was that of demand desposits, which grew 37.2 percnt, growing from 689.8 million pesos in December 1984 to 946.4 million pesos in December 1985.

In 1985, the country had an unfavorable balance of trade. The worsening of the trade deficit was due mainly to uncontrollable factors and to an increase in purchases abroad.

Exports totalled $772.4 million, which was a drop of 11.0 percent or $95.7 million; imports totalled $1,295.3 million, which was an increase of 3 percent or $38.2 million. These totals determined a balance of payments deficit of $522.9 million, greater than in 1984, when the deficit was $389 million.

The balance of international payments had a surplus of $94 million, resulting from income of $1,766.7 millions and payments of $1,672.7 millions. Because of this favorable balance, the gross international reserves of the Central Bank reached $397.1 million in late December 1985 compared with $303.1 million at the end of 1984.

Imports Increase in 1985

FL150325 Santo Domingo LISTIN DIARIO in Spanish 5 Mar 86, pp 1, 13

[By Jose Romero]

[Excerpt] According to Central Bank figures, the Dominican Republic's total imports in 1985 exceeded $1,295.3 million, a 3 percent increase equal to $38.2 million, over 1984 imports. The bank reports that the increase was not greater because of adjustment measures that were taken. Oil and food purchases decreased while other imports increased. Oil imports were $429.4 million (14.9 percent less, which is equal to $75.4 million), compared to $504.7 million in 1984.

BARBADOS

GOVERNMENT REPORTS TRADE DEFICITS WITH CARICOM

FL181758 Bridgetown CANA in English 1737 GMT 18 Mar 86

[Text] Bridgetown, Barbados, March 18, CANA -- Barbados recorded a 20 million dollar (one Bds dollar; 50 cents U.S.) trade deficit with the Caribbean Community (Caricom) up to last October, and a deficit with all its trading partners of 390 million dollars, government statistics show. The figures, released by the Barbados statistical service, put total exports to Caricom for the 10 month period at 133 million dollars, with domestic exports accounting for 57 million. Imports from Caricom were valued at 153 million dollars, an increase of 18.6 per cent over the corresponding period in 1984. There was a 30.5 per cent drop in domestic exports, which amounted to 57 million dollars compared to 82 million the previous year.

Total imports from all sources were valued at 996 million dollars, 9.1 per cent down on 1984. Total exports were put at 606 million. The domestic component was 428 million, a decline of 13.6 per cent.

The major destinations for domestic exports for January to October 1985 were Puerto Rico, which accounted for 200 million dollars, the United States which accounted for 111 million, and Caricom which accounted for 57 million, the statistical service release said. Machinery was the largest single export and import. In the former case, the machinery in question was mostly electronic components which accounted for 274 million dollars. Imported machinery -- the release did not specify what types -- totalled 318 million dollars.

With regard to Caricom trade, the figures showed a 51 percent decline in domestic exports to Trinidad and Tobago, which had a 11.2 per cent rise in exports here. Trinidad is the principal export market for Barbados in the 13-nation Caricom group. Barbadian sales dropped to 26.9 million dollars, from 55.1 million last year. Trinidadian imports rose to 106.1 million dollars, from 95.4 million. Declines in exports were also reported in the cases of Guyana and Jamaica, the other two single major Caricom markets. There was a 6.9 per cent drop in sales to Jamaica which took 6.4 million dollars in goods. In the case of Guyana, the decline was 16.9 per cent.

Imports from Guyana totalled 4.4 million dollars, down from 5.2 million the previous year. Purchases from Jamaica totalled 33.4 million dollars, an increase of 75.7 per cent. Barbados had a 19.5 per cent increase in sales to the Organisation of Eastern Caribbean States (..OECS) comprising St Vincent and the Grenadines, Grenada, Montserrat, St Kitts and Nevis, Antigua, Dominica, and St. Lucia. The seven islands purchased 21.8 million dollars in Barbadian exports, up from 18.2 million. The OECS sold Barbados 8.9 million dollars in products, a decline of almost one per cent on 1984.

DOMINICA

DIPLOMATIC RELATIONS ESTABLISHED WITH PERU

FL181404 Bridgetown CANA in English 0932 GMT 18 Mar 86

[Text] Roseau, Dominica, March 18, CANA -- Dominica and Peru today established diplomatic relations, the Government Information Service (GIS) announced.

A joint communique from the two governments said that the move is to strengthen ties of friendship between Dominica and Peru in conformity with principles relating to the juridical equiality of states, mutual respect for sovereignty, independence, and territorial integrity of states. Dominica and Peru have decided to appoint non-resident ambassadors.

GRENADA

BILL RESTRICTS TRAVEL BY FORMER LEADERS

FL181350 Bonaire Trans World Radio in English 1130 GMT 18 Mar 86

[Text] Grenada's parliament has approved a bill giving authorities the right to keep some people from leaving the island. The bill aims to restrict the movement of several former leaders under Prime Minister Maurice Bishop's government who have made frequent trips to Cuba and other communist countries.

HAITI

EXILED COMMUNIST LEADER THEODORE RETURNS

HK190540 Hong Kong AFP in English 0516 GMT 19 Mar 86

[Text] Port-au-Prince, March 19 (AFP) -- Some 300 Haitian communist officials were murdered by the Caribbean state's 29-year Duvalier family dictatorship, communist leader Rene Theodore said here Tuesday. He told a press conference the day after arriving home after 17 years in exile, mostly in France that Haitians deserved praise for their courage and the Roman Catholic Church for its work of raising people's awareness of national problems, which had all helped to force President-for-life Jean-Claude Duvalier to resign and flee the country six weeks ago. Mr Theodore, who is secretary-general of the United Haitian Communist Party, (PUCH), called for the Duvalier family's immense wealth -- estimated at some 500 million dollars -- to be returned to Haiti. He criticised the recent announcement by French Socialist Party first secretary Lionel Jospin that he would go to Haiti soon to see how he could help its "hesitant democracy." The French party's record of promoting democracy in the neighbouring Dominican Republic, where slave labour conditions for Haitian sugar-cane cutters remained and where U.S. political and economic power was untouched, was not what was wanted in Haiti, Mr Theodore said.

Another leftwing politician, Serge Gilles, of the centre-left Ifopda grouping, which has stong links with the French Socialist Party, returned from exile Tuesday, accompanied by two French socialist M.P.s.

JAMAICA

KINGSTON HOSTS LAW OF THE SEA COMMISSION MEETING

FL181749 Bridgetown CANA in English 1720 GMT 18 Mar 86

[By Paget Defreitas]

[Text] Kingston, Jamaica, March 18, CANA -- The preparatory commission drawing up rules for the administration of the U.N. law of the sea has resumed its work in Kingston with charges by the Soviet Union that major Western nations were maintaining efforts to wreck the convention.

It was reported that the Soviet Union, France, Japan and India had reached an understanding on over-lapping claims for deep seabed exploration as pioneer investors sparked an exchange between Moscow's delegate Igor Klossovsky and West Germany's Claus Duisberg. West Germany, like a few other industrial states led by the U.S. and Britain, have not signed the convention, claiming that it discriminates against private sector exploitation of the polymetallic nodules of the deep seabed. They are also against requirements for the transfer of technology to the enterprise, which is to be the commercial arm of the International Seabed Authority (ISA). Washington, Bonn and London have licensed their companies to explore the international seabed area -- a function which will eventually go to the province of the ISA and in the case of pioneer investors, the preparatory commission. We think it improper for these countries to issue licenses for exploration of the international seabed area, declared Kolosovsky, at last night's opening plenary. Speaking on behalf of Eastern Europe, Kolosovsky branded the action as serving to create an illegal parallel regime while the legitimate regime was still awaiting a decision.

We cannot accept the decision imposed on us, shot back West Germany's Claus Duisberg. Bonn had to take interim measures to protect its interest, Duisberg said, adding that his country felt the mining section of the convention was flawed. He won support from Britain's representative, N.K. Durroch.

To meet the concerns of the western nations that had already undertaken exploration, research and development work on deep seabed mining, drafters of the convention came up with the special regime to cover pioneer investors. It ensured that four states -- France, Japan, India, the Soviet Union -- and four consortia whose members come from a list of eight countries can be registered with the preparatory commission and select and explore, but not mine, an expanse of the seabed until the convention comes into force. However, from the second group of countries the U.S. Britain and West Germany have not signed the convention. Moscow, Paris, Tokyo and Delhi had found to have had over-lapping claims in their site selection, but according to a report preparatory commission chairman, Joseph Warioba, the Tanzanian prime minister, they had finally sorted out their difficulties in Arusha in January. If pursued with determination (it) would yield a solution acceptable to the first group of applicants and the commission without prejudicing the interest of the potential applicant, said Warioba's report read to the plenary. Warioba late last year took over the Tanzanian premiership and is resigning as chairman of the preparatory commission this summer. Deputy chairman, India's Jhigran, is heading the session here.

Kolosovsky urged the conference to speed up registration of the current applicants for pioneer status and urged that early implementation of the convention to frustrate the activities of the western industrial nations. Any further delay will be virtually tantamount to giving assistance to those who want to destroy the preparatory commission and the convention, he said. The preparatory commission started its work in 1983 and is elaborating the rules for the ISA, which will oversee the convention, the enterprise, drafting a mining code for the exploitation of the deep seabed as well as the rules of the tribunal which will arbitrate disputes.

The current economic crisis being faced by the U.N. could put pressure on the commission to speed up its work. Secretary General Javier Perez de Cuellar in a letter to the commission outlined the difficulties on the world body and urged belt tightening. Among his recommendations was less requests for documentation and care in setting meetings. Specifically, he urged that more meetings be held in areas with U.N. headquarters so that staff would need to travel less. This would be a blow to Kingston, earmarked as the headquarters for the ISA and the alternate host for preparatory commission meetings.